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ESTABLISHED 1887

A Deep Rift In Cabinet Stalls U.S. Trade Policy

By Keith Bradsher New York Times Service WASHINGTON — Deep ideological divisions and turf battles within the Clinton administration have nearly paralyzed its trade policy...

The budget director's plain talk about legislative problems baffles Washington. Page 3.

taxes on minivans, world trade talks, trade in auto parts, foreign investment rules and the North American Free Trade Agreement...

Officials said that divisions run deep on such issues as the minivan tax and cite Mr. Benisen's strong resistance to encouragement by Mr. Kantor...

At issue is a decision by the Bush administration that these vehicles should be considered as cars, which are assessed an import tariff of 2.5 percent...

Mr. Kantor said in mid-January that the question would be tackled at the first meeting of the National Economic Council...

There is a "deep division" in the administration on the minivan issue, an administration official said...

The divisions have also affected the National Economic Council, which is far behind schedule in its reviews of trade policy toward Japan and other countries...

Secretary of State Warren M. Christopher and Robert E. Rubin, the head of the National Economic Council, have tended to ally themselves with Mr. Benisen...

Commerce Secretary Ronald H. Brown and Labor Secretary Robert B. Reich have allied themselves with Mr. Kantor...

Mr. Brown has supported Mr. Kantor's pursuit of specific results in industry-by-industry trade negotiations with the Japanese government...

So far, President Bill Clinton appears to be functioning to an unusual extent as his own See TRADE, Page 5



Officials of the metalworking union counting ballots in Berlin. An overwhelming majority of East German workers voted to strike.

German Strike Vote Risks a Crippling Blow to Recovery

By Ferdinand Protzman New York Times Service BONN — Thousands of East German metal and steelworkers have voted overwhelmingly to strike to press their demand for an immediate, 26 percent pay increase...

The vote clears the way for a potentially damaging strike in Eastern Germany, where the economy is only slowly recovering from its near-collapse after German reunification in 1990...

Strikes were outlawed during the Nazi era and during the four decades of Communist rule in what was East Germany...

Metalworkers in the East German states of Saxony and Mecklenburg-Western Pomerania, as well as steelworkers throughout the region voted to strike...

The wage dispute highlights the economic, social and political differences that still divide Eastern and Western Germany...

Chancellor Helmut Kohl's conservative coalition government wants wages in the East, which are a fraction of those in the West, to rise gradually and be tied to higher productivity...

After cutting its discount and Lombard rates last week, the Bundesbank on Wednesday reduced the rate in its latest allocation of securities repurchase agreements...

This rate more directly affects the cost of money than either of the rates cut last week. Repos are the bank's preferred instrument for steering short-term, domestic money market rates...

The Bundesbank acted ahead of a meeting of G-7 finance ministers in Washington (Page 13). Its move will also give France, whose economy is deteriorating in the grip of high interest rates, room to ease, analysts in Paris said.

German analysts said the Bundesbank's action was a clear sign that it was now more worried about the economy than about inflation or a devaluation of the Deutsche mark...

"The Bundesbank has not altered its basic position on inflation," said Armin Kayser, an economist at Swiss Bank Corp. in Frankfurt...

The economy continues to shrink. New orders for West German machinery and plant construction business, for example, fell by 14 percent in the first quarter, adjusted for inflation...

In an interview Monday with the International Herald Tribune, Helmut Schlesinger, the Bundesbank president, said experience showed that inflation "becomes less of a worry" in periods of recession...

"Sooner or later, the weak economy will have the desired effect on inflation," Mr. Kayser agreed, although annualized figures will continue to exceed 4 percent for several months to come, he said.

The Bundesbank's medium-term goal is to bring the inflation rate back below 2 percent. Early data showed that West German consumer prices rose 0.3 percent in April and 4.3 percent from a year earlier...

Union rules require that at least 75 percent of those voting favor a strike before one can be called. Franz Steinkühler, IG Metall's president, said in a statement that he hoped that the vote showed that "all dreams had died that IG Metall might not be prepared to fight in Eastern Germany."

Gesamtmittel said that wage costs had risen to 37 percent of revenue in Eastern Germany's metalworking industry in January, compared to 30 percent in the final quarter of 1992.

"Against this background a strike would be irresponsible and would threaten the existence of many firms," he said. Peter Hintze, the secretary-general of Mr. Kohl's Christian Democratic Union party, issued a statement calling the vote "a fatal jump in the wrong direction."

"A pay rise is being claimed here on purely political grounds, which is not covered economically," Mr. Hintze said. "That is like diving headfirst into an empty swimming pool."

Karlheinz Blessing, the Social Democratic Party manager, disagreed, putting the blame on the employers. "The employers now have a final opportunity to avert the strike," Mr. Blessing said. "That would give IG Metall the chance to negotiate a delay in later pay raises."

U.S., Wary of Spies, to Skip Paris Show France Calls CIA Tales of Airfield Espionage Outdated

By Roger Cohen New York Times Service PARIS — American military aircraft and helicopters will not be displayed by their manufacturers at the Paris Air Show in June, in a move apparently reflecting concern about industrial spying by France as well as a change of policy at the Pentagon...

"We've been told by the Department of Defense that they will not be involved in the Paris show this year, and de facto this means there will be no military aircraft in Paris," said Joel Johnson, a vice president of the U.S. Aerospace Industries Association...

Pentagon to Allow Women Fighter Pilots

By Eric Schmitt New York Times Service WASHINGTON — Defense Secretary Les Aspin this week will order the military to drop most of its restrictions on women in aerial and naval combat, according to senior Pentagon officials...

The numbers of women in the newly opened combat roles will be small at first, the officials said, as the services identify and train the most qualified candidates. Air Force officials said they would immediately begin training about 10 women as fighter and bomber pilots who could be assigned to squadrons as early as February...

Kiosk Ex-Communists to Join Italy Cabinet

Italy's prime minister-designate, Carlo Azeglio Ciampi, announced the formation of the country's 52nd postwar government on Wednesday night, one that will include members of the former Communist Party, now called the Democratic Party of the Left...

Mr. Ciampi, the first prime minister without a political affiliation since the republic was founded in 1948, was apparently seeking to minimize the chances that the parties would undermine his government before it got off the ground. He thus chose cabinet ministers from across the political spectrum. Page 2.

General News Yeltsin stepped up his drive against his rebellious vice president. Page 2. Andreotti said he wants a trial soon. Page 2. Business/Finance EC plans to open its phone market by 1998. Page 11. Crossword Page 20.

Table with market data: Dow Jones Down 2.43, Trib Index Up 0.22%, The Dollar New York 1.58, West 1.574, London 1.5783, Yen 112.125, FF 5.328.

Noted Coach Dies Jim Valvano, who coached the North Carolina State team that shocked college basketball by winning the 1983 national championship, died after a yearlong battle with cancer. He was 47. Page 18. Weather Page 20. Bridge Page 7.



FAMILY IN ANGUISH — Relatives of victims of an April 18 massacre near Johannesburg grieving at burial ceremonies Wednesday. The violence is one of several crises facing Nelson Mandela and President F.W. de Klerk. Page 6.

The Trib Competition: Clinton on the Defensive as 100-Day Benchmark Arrives

As administration defensiveness and spin control are making clear, the 100-day mark for Bill Clinton's presidency is at hand — Friday at noon, Washington time. At that point, Mr. Clinton's approval rating, as measured by public opinion polling, will be widely noted, for it will indicate how successful the American public feels he has been up to the first benchmark of his presidency...

Readers were asked in January to send in their forecasts of Mr. Clinton's approval rating in the first Louis Harris poll, published after April 30. There were three additional questions, with the answers to be used as tie-breakers: the Dow Jones industrial average at the close on April 30; the Trib Index on April 30; and the value of the U.S. dollar in Deutsche marks or yen at the 4 P.M. close in New York. All three figures will be published in Monday morning's International Herald Tribune. (Because of the May 1 holiday in Europe, there will be no paper published on Saturday.)

The Louis Harris organization began a poll Wednesday that will conclude on Tuesday, May 4, with results available a few days later. Contest winners will be announced as soon as possible after that. More than 5,600 readers, from 90 countries, entered the competition. Almost half predicted that Mr. Clinton would have an approval rating of just over 60 percent.

In Sarajevo, the Wait for Clinton Takes a Back Seat to the Daily Struggle

By John Pomfret Washington Post Service SARAJEVO, Bosnia-Herzegovina — Halim Miletic's main concern was not the news that President Bill Clinton and Boris N. Yeltsin seem poised to get tough with his Serbian tormenters. He was interested only in cigarettes. Mr. Miletic, a former pizza chef in Hackensack, New Jersey, and a Slavic Muslim in a city long besieged by Serbs, had been waiting in line for hours to buy the equivalent of two packs of homemade cigarettes — concocted of discarded butts and who knows what else. "You don't have a real one I can puff on while I wait, do you?" he asked. Such mundane preoccupations are typical...

Clinton vows to get Congress and allies to back stronger military action. Page 5. here. At the central market, where merchants hawk a mechanic's nightmare of wires, bolts, screws and pliers, where flower-sellers perfume the air with daffodils and hyacinths, where black marketeers slink around and pop out wads of dollars, marks and francs, the struggle for today obliterates thought of tomorrow. "What do you want me to say?" asked Mohammed Jokanovic, a 45-year-old engineer who was selling bags of lentils for about \$25 a kilogram along with paprika piled high on sheets of computer paper. "That I'm happy Clinton is coming to save us? That's a joke. What I want to know is, when is he coming? Exactly what day, what hour, what minute? Once I know that and we're through with all this talk, then I'll be happy."

Business was brisk at the Monaco Saloon, one of numerous new eateries here that depend on black market provisions bought mostly from United Nations soldiers. The tabuleths were slightly soiled, but the kitchen hummed and sizzled, and a few CD by the rock star Annie Lennox spun on the stereo. "I'm eating a good steak and drinking French wine," said Vojin Hakovic, a plump former government translator and now a self-described "import-export man." "Right now we don't have time for politics or armies or intervention."

"The Muslim people are fatalistic," he continued. "If we are saved, then it must have been God's will." Across the siege lines, in the Serbian suburbs, farmers tilled plots of rich black earth and appeared oblivious to occasional Muslim artillery fire that kicked plumes of dirt and dust into the spring sky. "Come on and get it over," said Drinka Cosic, a Serbian lawyer who once worked for a bank in Sarajevo. "We Serbs don't like fighting, but if America wants to fight us, then come on."

Miss Cosic, 35, said she had no great love for the ostensible leaders of Bosnian Serbs. "But I have loyalty to my people," she said. "Remember, if you kill half of us, the other half will still be there." Her solution in a year of factional war here, which has left more than 20,000 people dead and more than a million homeless, is for Bosnia to be "divided between Croatia and Serbia — that's the only way for peace." She did not seem to think it strange that her See SIEGE, Page 5

Trial for Andreotti? 'Fine,' He Says, 'but I Want It Soon'

By Alan Cowell
New York Times Service

ROME — By his own account, Giulio Andreotti is not sleeping well these days and feels he can trust no one beyond the family hearth, now that he has been accused — wrongly, he insists — of consorting with the Mafia.

But most of all, as Italy's reformist tide left him beached Wednesday, the seven-time prime minister and longtime master of the land's political ceremony seemed to be fretting about when he would come to a trial that, in his reckoning, would restore respect to his name.

"They want a trial?" he said. "Fine. But I want it soon."

Not long ago, talk of putting the nation's elder statesman on trial would have been seen as no more than a pipe dream of adversaries.

But on Tuesday, a Senate panel voted to waive his parliamentary immunity so that he could be investigated on charges of associating with the Mafia. And on Wednesday, Mr. Andreotti, 74, the leading politician of postwar Italy, presented himself as a man more sinned against than sinning; even betrayed.

For once, Mr. Andreotti acknowledged, he had miscalculated: He had trusted the words of his

"friends in the party, colleagues in Parliament" and they had turned on him.

To a published interview and in his regularly weekly magazine column, Mr. Andreotti painted a picture of his fall from the loop of power that seemed filled with indignities: no more lunches with the United Nations secretary-general, he lamented, no more trips to India to meet the other dignitaries at the Inter-Parliamentary Union.

On the other hand, said Mr. Andreotti, a practicing Roman Catholic who long looked to the Vatican as a focus of support, he had more time for prayer and reflection on matters of a theological nature.

"I am almost discovering what should also be obvious: that man does not live by politics alone," he said in his column in L'Europeo magazine.

That might seem a surprising discovery by a man who, since 1947, has woven a way through most of the high offices in the land. Indeed, it may even be that his current self-portrait — mixing ruefulness, rage and bemusement on a palate of professed innocence — is one more feat in a game that, he seemed to say, will only be over when the judges say it is.

"I am afraid only of the passing of time," Mr. Andreotti said in an interview with the newspaper La

Stampa. "I do not want these accusations banging over me for years. They cannot do this to me."

After a final term as prime minister that ended last April, Mr. Andreotti withdrew to the relative obscurity of Parliament as a life senator. But even there, he said in the interview published in La Stampa on Wednesday, he had been let down.

All those who had "been dealing with me for decades" had come to him to say the accusations against him, among them that he provided political cover for the mob in Rome, were no more than "a load of nonsense, a macabre castle of foolishness that did not deserve a reply."

"They all said the charges were beyond belief, and I agreed with them in fact," he added, implying that those same politicians who allowed his immunity to be lifted had, in fact, been counseling him that he would escape investigation. And so, "I thought: well, O.K. It seemed to me the wisest thing to do was not to grant it any importance, to let it run its course."

And that, evidently, is where he miscalculated.

The accusations against Mr. Andreotti have been made to Palermo magistrates by eight separate Mafia informants charging a variety of links with the mob including meetings with Mafia dons and even ordering the mob to commit political assassination.

In Broad Coalition, 3 Are Ex-Communists

ROME (Reuters) — Prime Minister-designate Carlo Azeglio Ciampi named a broad coalition on Wednesday that for the first time in 46 years included members of the former Communist Party.

The interim government is intended to fulfill the hopes of a nation demanding political reform. It includes three ministers from the Democratic Party of the Left, hitherto the main opposition group and heir of what was once the largest Communist Party in the West.

The three former Communists were Vincenzo Visco, an economist, who was named Finance Minister; Augusto Barbera, the party's constitutional expert, placed in charge of relations with Parliament; and Luigi Berlinguer, appointed minister for universities and scientific research.

The Treasury stays with Piero Barucci, a Christian Democrat. The Foreign Minister went to the party's former budget minister, Beniamino Andreatta.

WORLD BRIEFS

North Korea Army Movements Seen

TOKYO (AFP) — Large-scale military movements have been detected around the North Korean capital, Pyongyang, Japan's Kyodo news agency quoted Western military sources as saying Wednesday in Beijing.

The movements were first detected Tuesday morning, and part of Pyongyang has also apparently been closed off, the sources were quoted as saying.

But Pyongyang's official Korean Central News Agency carried nothing on any military movement. The Kyodo dispatch followed a report in South Korea on Tuesday that the health of President Kim Il Sung of North Korea might be deteriorating rapidly.

16 Die in Gas Explosion in Istanbul

ISTANBUL (Reuters) — A methane gas explosion at a dump killed at least 16 people Wednesday and buried occupants of a dozen slum houses under tons of garbage, Turkish radio said.

Rescue teams worked under floodlights Wednesday night to dig for more victims. "It all happened in one second," Hatice Taskin, a housewife, said. "It sounded like thunder. In front of my eyes, a woman grabbed two of her kids, but the house collapsed on her."

Five injured people were found and pulled out of the wreckage.

Singapore Tries 4th Revealing Data

SINGAPORE (Reuters) — A newspaper editor, a government official and two private economists will be tried jointly on June 21 for revealing an official Singaporean secret — its economic growth rate, defense lawyers said Wednesday.

Patrick Daniel, a Business Times editor, Shanmugaratnam Tharman, an official of the Monetary Authority of Singapore, and two economists for the regional brokerage Crosby Securities pleaded not guilty on Dec. 9 to charges of violating Singapore's Official Secrets Act.

The charges stem from an investigation by Singapore's Internal Security Department of a June 29, 1992, Business Times article that accurately forecast 1992 second-quarter economic growth of 4.7 percent. The figure was officially announced in August.

Greek Cypriots Fire on Turkish Ship

ANKARA (Reuters) — A Greek Cypriot gunboat fired at a Turkish freighter suspected of carrying "suspicious" cargo in the Mediterranean on Wednesday, wounding the captain and a seaman in what the Turkish Foreign Ministry called an act of piracy.

Turkish Cypriot officials said the freighter was carrying general cargo from Istanbul when it came under fire in international waters. Ankara said it would bring the matter to the attention of the United Nations secretary general, Boutros Boutros Ghali, and stressed that "such acts of piracy inevitably invite retaliation."

Greek Cypriot officials said the ship had been inside the 12-mile (20-kilometer) territorial limit between the southern ports of Larnaca and Limassol. They said it was unmarked, had no flag and declined to stop.

Polish Privatization Program at Risk

WARSAW (Reuters) — A junior partner in Poland's coalition quit Wednesday, damaging the fragile government's chances of winning parliamentary approval for its revised privatization plans.

The privatization plan, first unveiled in 1991, set the pattern for mass privatization programs across the former East bloc. It was revised after deputies threw it out last month in a shock defeat for the government.

Feliks Klimczak, the leader of the Peasant Alliance party's parliamentary group, said his group had decided to leave the coalition and was likely to vote against the bill to protest a lack of support from other coalition members for its demands on farm policy.

Israel Confirms Return of 30 Exiles

JERUSALEM (Reuters) — Israel confirmed on Wednesday that it would allow 30 Palestinian deportees to return home. A Defense Ministry spokesman said Yitzhak Rabin, who is prime minister and defense minister, had decided "for political reasons" to cancel the expulsion orders against 30 Palestinians banished between 1967 and 1987.

At least three former members of the Palestine Liberation Organization's executive committee are among the 30 Israel has allowed to return to the occupied territories. PLO sources in Tunis, confirming names on a list supplied by the Palestinian delegation to Middle East peace talks in Washington, said the three were Hanina Nasir, Abdel-Jawad Saleh and Walid Qunbawi.

Heading the list was Rawhi al-Khatib, a former mayor of East Jerusalem, called after Israel captured the Arab part of city in the 1967 Middle East war. Also on the list were two women, including Issam Abdel-Hadi, former chairwoman of the Palestinian Women's Union, and two leaders of the former Palestinian Communist Party, Naim al-Ashhab and Faqfah Warrad. Other returnees were mostly activists in the PLO's mainstream Fatah movement or independent nationalists.

Yeltsin Steps Up Drive to Isolate Rebellious Vice President



Vice President Alexander V. Rutskoi addressing parliament Wednesday about his allegations of corruption among leading officials.

MOSCOW — President Boris N. Yeltsin back on the political offensive after a convincing referendum triumph, turned up the pressure Wednesday on his rebel vice president, Alexander V. Rutskoi, by removing him from control of a corruption inquiry.

Following up an order last weekend that stripped Mr. Rutskoi of responsibility for agriculture, Mr. Yeltsin issued a decree saying that he, not his conservative deputy, was now in charge of the commission investigating fraud, bribery and other official abuses.

Mr. Yeltsin's decree made no mention of Mr. Rutskoi directly, saying instead that Prime Minister Viktor S. Chernomyrdin would be a permanent member of the commission, which is part of the Security Council.

"Rutskoi is hanging in a political vacuum," said a presidential spokesman, Vyacheslav Kostikov, who has said the vice president should resign.

Mr. Yeltsin, too, has said that Mr. Rutskoi should "consider his position."

Mr. Rutskoi, who ran on Mr. Yeltsin's ticket in the 1991 election but has since joined the opposition, made sweeping allegations of corruption against leading government figures in an attempt to damage the president during the referendum campaign.

He and other leading conservatives have dismissed as meaningless the outcome of Sunday's vote,

U.S. Puts Stimulus Plan First in Line, Not Russian Aid

WASHINGTON — The White House has acknowledged that Congress is unlikely to approve additional U.S. aid requests for Russia, and it says it will delay such proposals until it can present a package intended to stimulate the American economy.

George Stephanopoulos, the White House communications director, said administration officials "just don't think it's possible to go forward" unless the Clinton administration is also investing in the American economy.

"And that's exactly what the president intends to do," he said.

His words acknowledged a point Democratic congressional leaders have been making for days, and signaled at least a temporary defeat on legislation that President Bill Clinton has argued should be a top U.S. priority.

Congress has approved most of the \$1.6 billion in aid offered in the U.S.-Russian summit meeting in Vancouver, British Columbia, earlier this month. Still outstanding

is \$1.1 billion in aid that is part of the 1994 budget request and \$1.8 billion in assistance that the United States was to provide as part of a package approved by the Group of Seven leading industrialized nations.

Capitol Hill lawmakers who supported the Russian aid package confirmed that it was all but dead in its present form.

One senator, who requested anonymity in exchange for speaking candidly, said, "The way they handled the aid package has been very sloppy."

Crash Kills Most of Zambia Soccer Team

LIBREVILLE, Gabon — A military aircraft carrying most of Zambia's national soccer team to a World Cup qualifying match crashed into the sea Wednesday, minutes after takeoff from Libreville.

The disaster, believed to be the worst in the history of African sports, all but wiped out the Zambian team, which had been emerging as one of the continent's best and a potential entrant in the 1994 World Cup in the United States.

Rescuers said none of the 30 people on board could have survived the impact that tore the plane apart when it hit the Atlantic Ocean off Libreville shortly after midnight.

In Zambia's capital, Lusaka, Sipo Mupfema, permanent secretary in the Ministry of Sport, said: "The nation is in grief. The reaction is total grief."

Twenty-four bodies had been recovered by late Wednesday morning, an Africa No. 1 radio broad-

cast said. It said 17 of the dead were players.

Fishermen joined the rescuers in looking for bodies of passengers and crew and the wreckage of the twin-engine De Havilland Buffalo aircraft. But officials in Gabon and Zambia said there was no hope of finding survivors.

Among the players killed were Wisdom Chansa, Samuel Choma and Robert Watiyakani, all recently signed by South Africa's Dynamos club.

Zambia's three Europe-based professional players, including its star striker, Kalusha Bwalya of the Dutch club PSV Eindhoven, were not on board.

Mr. Bwalya and two other European-based professionals, Johnstone Bwalya of Switzerland's FC Bulle and midfielder Charles Musonda who plays for Anderlecht, the Belgian champions, had been due to join the team in Dakar before a World Cup qualifying match against Senegal on Sunday.

The plane crashed about 1,500 meters from the coast, the radio report said. It was en route to Dakar with a stopover in Ivory Coast.

Other reports said the pilot had complained of technical problems when the plane made a stop in Brazzaville, Congo. The BBC said a technician in Libreville thought he had repaired the fault. It did not say what the problem was.

In Zurich, soccer's world governing body, FIFA, expressed "immense sorrow" at news of the disaster and asked all countries scheduled to play World Cup matches this week to observe a minute's silence in memory of the Zambians.

The death toll among team members apparently exceeded the toll of 18 Torino players who died when their plane crashed in Turin in 1949.

The most recent similar disaster was in 1989, when 13 top Dutch

players died in an air crash in Suriname.

The Zambian soccer team had a high profile among Africa's soccer powers, as the fortunes of the country's team presented a strong contrast to those of its declining economy. The team, long an object of government favor, had been known as the "KK Eleven" under former President Kenneth Banda.

Although Zambia has never won a major soccer title, its team is still remembered for pulling off a 4-0 upset victory over a strong Italian team to reach the quarterfinals of the 1988 Olympic Games in Seoul.

At least six members of that squad — centerback Samuel Chomba, goalkeeper David Chabala, fullbacks Eston Mulenga and Mr. Chansa, reserve goalkeeper Richard Mwanza and midfielder Derby Makinka — were killed in the crash.

(Reuters, AFP)

REACHING THE EUROPEAN LEADERSHIP

Eminent Europeans*

%

34	21	8	3	29	26	20	7	5	7	27	15	3
International Herald Tribune	Financial Times	Wall Street Journal Europe	USA Today	Time	The Economist	Newsweek	Business Week	The European	Fortune	National Geographic	Scientific American	International Management

The IHT is read by more Continental European board members listed in the international Who's Who than any other international publication.

*Source: Who's Who in Europe Survey 1992.

Herald Tribune

Law Chief Doubted Cult Would Give Up

WASHINGTON — Attorney General Janet Reno said Wednesday she decided to force an end to a 51-day federal standoff with an armed Texas religious cult because there was no chance the cult leader, David Koresh, would surrender.

"It was my call and I made it the best way I know how," Ms. Reno said at a hearing of the House Judiciary Committee into the fiery end of the confrontation last week. She said it was "the toughest decision I ever made."

"Negotiations had proven to be fruitless," she said. "I became convinced that short of allowing David Koresh to go free, he was not coming out voluntarily."

Mr. Koresh and 85 followers, including 17 young children, died in a fire April 19 after FBI agents fired tear gas into their compound near Waco, Texas, in an attempt to end the standoff. Arson investigators said cult members started the blaze.

Some of the victims have been found with gunshot wounds in the head, indicating they may have been murdered or committed suicide. Authorities were still at the scene Wednesday collecting remains and attempting to identify victims.

The siege began Feb. 28 when four agents of the Bureau of Alcohol, Tobacco and Firearms were killed in a shoot-out with cult members during an attempt by federal agents to arrest Mr. Koresh on a firearms charge. The cult, on his

direction, had amassed a large arsenal.

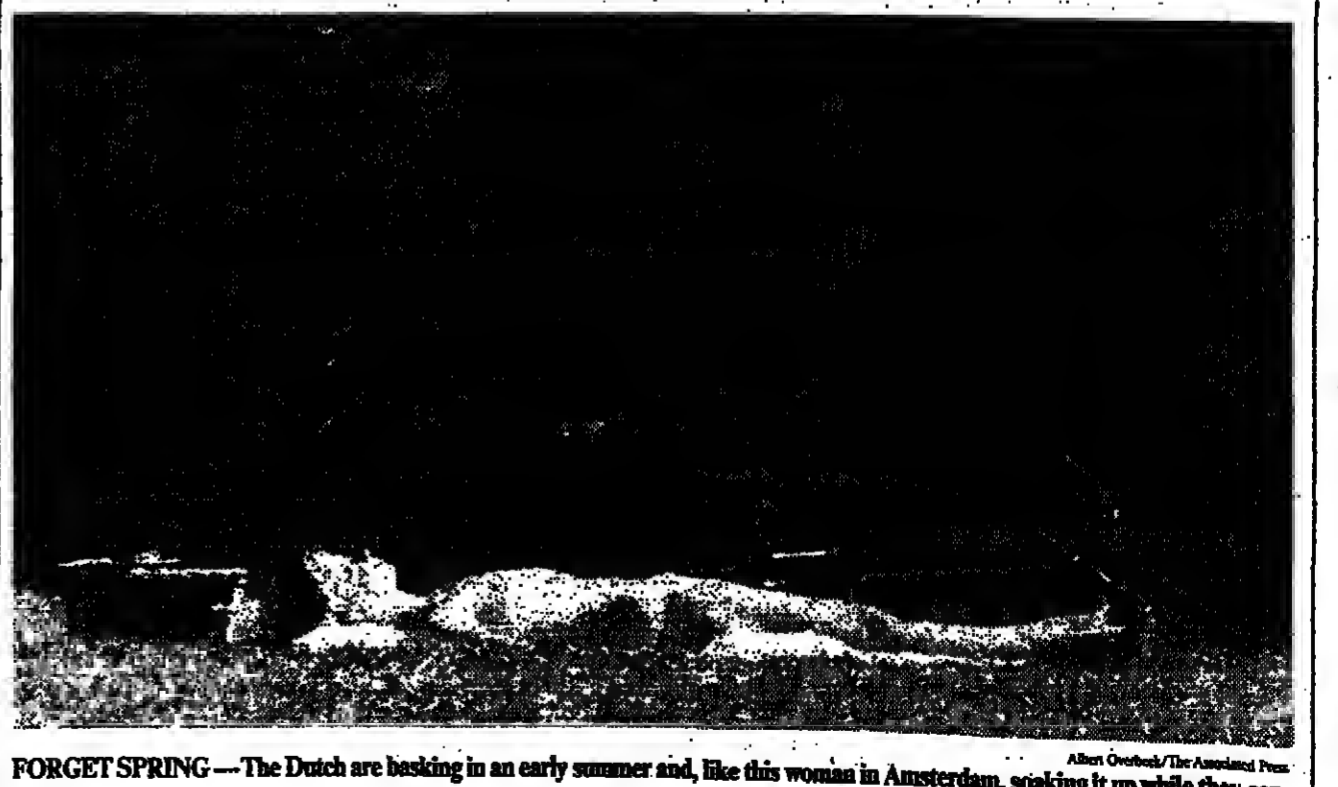
During the standoff, the FBI tried negotiations and also played loud music and annoying noises in an attempt to get Mr. Koresh and his followers to give up. Some critics of the operation have said the FBI should have waited longer before moving in on the compound.

Ms. Reno said the FBI approached her during the week of April 5 about their plan to insert tear gas into the compound. The intent was to increase pressure on the cult members in the hope they would yield, or at least allow the children to come out.

"The threshold question I asked was whether the gas could cause permanent injury to the children," she said. "I did not even want to consider the matter further if we could not be certain about this factor." She said the FBI had arranged for her to meet with a physician, who assured her no permanent injury would be caused.

"Then, the primary question I asked again was during the ensuing discussion 'Why now? Why not wait?'" She said she was told the cult's food supply could last "at least a year or more," and that there was no feasible way to cut off their water supply.

"The decision on how to proceed was mine," she said. "I advised the president on the Sunday before the operation of my decision to authorize the FBI's use of tear gas at the



FORGET SPRING — The Dutch are basking in an early summer and, like this woman in Amsterdam, soaking it up while they can.

compound and he said he would support my decision."

"The president knew exactly what I was doing," she said.

"The situation suggested to me that time would only increase the risk to public safety and the safety of government agents and to those within the compound without any realistic expectation that the matter would be resolved peacefully if we did nothing," she said.

"Throughout this 51-day pro-

cess, Koresh continued to assert that he and the others inside would at some point surrender," she said. "However, the FBI advised that at no point did he keep his word on any of his promises."

Mr. Reno said that although experts had advised the FBI that it was unlikely that Mr. Koresh would commit suicide, it was something she kept in mind.

"It was something that was considered that might happen at any time regardless of what the FBI did," she said.

She said that before the operation was approved, she and FBI officials ran through "every option," including a direct onslaught, which "I discarded."

During more than three hours of testimony, Ms. Reno's composure broke when she was pressed on whether she had tried to insulate Mr. Clinton from responsibility after the conflagration that ended the siege.

She had appeared on late-night news programs, she recalled, and afterward, "I don't think I've ever been so — I guess lonely is the word."

"It was 12:20 at night. The first call I got was from my sister," she said, choking with emotion, the packed room becoming still. "She said 'That-a-girl.' The second call I got was from the president of the United States, saying, 'That-a-girl.'" (Reuters, AP)

Clinton to Seek Support for Tougher Action in Bosnia

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton vowed Wednesday to win allied support for new U.S.-led actions to end the civil war in Bosnia, prompting warnings that military moves may be disastrous.

"I still believe the United States has to strengthen its response," Mr. Clinton said.

He said he would decide on a tougher course soon "and see if I can persuade the Congress and the allies to go along."

Mr. Clinton has been conferring with leaders of Congress and European leaders to develop a consensus on stopping the fighting among Serbs, Muslims, and Croats in Bosnia.

The president said he believed that there was a "fair chance" of persuading members of the UN Security Council to go along with stronger action. He did not elaborate on what might be done although some limited military action has been under consideration.

"I will decide what I think the right thing is to do and see if I can prod the allies and Congress to go along," Mr. Clinton said.

The air force chief of staff said that one option under consideration — bombing Bosnian Serb gun positions — would be completely effective and pose "virtually no risk" to attacking planes.

General Merrill McPeak told a Senate appropriations subcommittee that this would provide time and that the air force would order strikes on "every one of those artillery positions."

He said that the relatively scarce and unsophisticated surface-to-air weapons available to the Serbs would make the aerial campaign virtually risk-free.

Administration officials said Mr. Clinton still was considering bombing strikes against Serbian artillery sites and lifting the embargo on arms for Muslims in Bosnia.

Mr. Clinton said he was pleased by the position of President Boris Yeltsin of Russia on Serbian aggression. He noted that Russia did not veto tougher sanctions in the United Nations even though this stand might have hurt Mr. Yeltsin in the referendum on his presidency on Sunday.

Administration officials said that Secretary of State Warren M. Christopher might go to Europe to win support for tougher action. Britain and France have been concerned that any military moves would expose their troops in Bosnia to retaliation.

The possible moves have generated an outcry from critics fearful that they will draw the United States into a political quagmire worse than that of the Vietnam War.

Representative John P. Murtha, Democrat of Pennsylvania and

Belgrade Bars Heavy Pressure on Bosnian Serbs

By David B. Ottaway
Washington Post Service

BELGRADE — The president of Yugoslavia, Dobrica Cosic, said Wednesday that Serbia would not take any "radical measures" to try to persuade the Bosnian Serbs to reverse their rejection of the United Nations peace plan for Bosnia. He called instead for an international conference on the Balkan crisis.

He also said that both he and President Slobodan Milosevic of Serbia had fully expected the Bosnian Serb leader, Radovan Karadzic, to agree to sign the plan on Monday and had been taken by surprise when his self-declared "parliament" voted unanimously against it.

At a press conference a day after stiff new UN sanctions against Serbia went into effect, Mr. Cosic said that Serbia, the core republic of rump Yugoslavia, would not close its border with Bosnia.

"The federal republic of Yugoslavia will not take any radical measures. We will use

our political influence as we have done so far," he said.

Only when the international community had acted to cut off all arms supplies to the rival Bosnian Muslims, he added, would Serbia be ready to send its army to patrol the Bosnian border alongside UN troops.

Serbia provides the oil, arms, and heavy weapons that allow the Bosnian Serbs to continue fighting. It could quickly bring its allies to heel if it was willing to close its border, as the European Community meeting, Lord Owen, has asked it to do.

Under pressure from hard-line Serbian politicians in Serbia and Bosnia, neither Mr. Cosic nor Mr. Milosevic seem politically willing to resort to such tough methods. Serbian analysts said both faced the threat of nationalist backlash that could undermine their own power if they did.

Instead, Mr. Cosic proposed a new approach, namely the convening of an international summit meeting under the UN secretary-general, Boutros Ghali, attended by all the warring Bosnian factions: Croatia, Serbia and the five perma-

nent members of the Security Council.

The idea is unlikely to be viewed by the United Nations and Western powers as anything other than another Serbian stalling tactic and an attempt to undermine the UN-backed peace plan that both Bosnian Muslims and Croats have accepted.

Mr. Cosic complained that the world community was not dealing fairly with Serbia and that the latest UN sanctions, aimed at isolating it totally from the outside world, were both a "gross injustice" and a "gross error."

Serbia had been "sentenced without a right of appeal" and turned into a "concentration camp," he said.

Fighting Rages in Bosnia

Bosnia's Serbs, Muslims and Croats fought pitched battles on Wednesday, snubbing international efforts to end the fighting and further jeopardizing the UN aid effort, Reuters reported from Sarajevo.

British peacekeeping troops in the town of Vitez in central Bosnia said Muslims and Croats were fighting between Buso-

vaca and Kisejak, northwest of Sarajevo.

The UN aid effort suffered two blows on Wednesday. Bosnian Serbs warned the UN High Commissioner for Refugees that its aid convoys would not be allowed into the Muslim enclave of Gorazde for at least two weeks.

Renegade Serbs in the Bihac pocket ransacked one aid convoy and confiscated 20 tons of food in the town of Vojnic.

In Brussels, the North Atlantic Treaty Organization decided that its sanctions-enforcing warships could enter Yugoslavia's territorial waters "in hot pursuit" and open fire as last resort.

In Paris, Defense Minister François Léotard threatened to pull out French troops from the former Yugoslavia because of the way the United Nations runs its peacekeeping operations.

He told the National Assembly that "if questions as important and as basic as the definition of missions, clarity in the chain of command and adequate financing" were not resolved, France would review the presence there of its forces.

AIR SHOW: U.S. Won't Be There

(Continued from page 1)

starts June 12, would amount to a major setback for one of the world's most prestigious air shows.

In a statement, apparently designed to counter mounting irritation in France over the U.S. policy, the American Embassy in Paris on Wednesday called the show "the premier world showcase" for aeronautical technology. It added that the United States "fully supports participation of U.S. firms in the Paris Air Show" — a claim that appeared disingenuous at best, in view of the Pentagon's policy.

The April 19 memorandum from Mr. Perry added that defense contractors could lease aircraft from the Pentagon to take to Le Bourget. But Mr. Johnson said there was considerable confusion over terms of such lease arrangements and added that, in any event, the cost to manufacturers would be prohibitive without government support.

"Nobody's going to pay \$100,000 to park a plane at Le Bourget for nine days," said Mr. Johnson. "What about the crews? Are we supposed to put them up in Paris for that period?"

Susan Pearce, a spokeswoman for Lockheed Corp., said: "We would hope that the government would support our efforts abroad. This year's policy is very disappointing."

A spokesman for the Pentagon, Major Tom Larock, confirmed the April 19 decision but said he could provide no explanation for it. He said he did not believe it was related to recent warnings from the CIA about possible spying by France on the American aerospace industry.

But Mr. Johnson, without providing details, said he knew that Mr. Perry had been aware of the allegations of spying by France before the Pentagon decision was made and suggested that the allegations had been a factor.

Under legislation passed last year, the undersecretary of defense would have had to inform Congress about the cost and provide the justification for any Pentagon involvement in the show at Le Bourget. Had it done so, any subsequent disclosure of the spying allegations might have been an acute embarrassment.

Both Barbara Anderson, a spokeswoman for McDonnell Douglas Corp., and Ms. Pearce of Lockheed confirmed that the companies had been briefed recently by the CIA on the risk of industrial espionage by France.

The CIA said Wednesday that no one was available to comment on the warnings given to the aircraft manufacturers.

But senior French officials said the CIA's warnings appeared to be based on an incident dating from 1988, when evidence of French covert acts against American industrial secrets was uncovered.

The matter had been resolved soon afterward, they said.

Henri Maire, chairman of the French aerospace association, in a telephone interview called the CIA's allegations "totally ridiculous" and "simply not serious."

American aerospace officials suggested that the government's April 19 decision may also have reflected budgetary constraints.

Past Spying Admitted

France on Wednesday acknowledged having spied on American companies but said that such operations were a thing of the past and had been well understood by Washington, Reuters reported from Paris.

American newspapers have reported that French government agents had listed 49 American companies as targets of their espionage operations.

"The facts cited by the U.S. press are out of date," said a spokeswoman for the French Foreign Ministry, which had declined to comment on the allegations Tuesday.

"They concern an old matter going back to 1988-89 which was discussed at that time with U.S. authorities and clarified," she said,

SIEGE: Daily Concerns

(Continued from page 1)

proposal ignored Bosnia's Muslims, by far the largest communal group in the republic and the war's chief victims.

For those who think Western air strikes at selected Serbian targets are appropriate, Miss Cosic has a graphic rebuttal. She pointed to two neighboring villages linked by a rubble-strewn path. Muslims had lived in one village, Serbs in the other.

"When you bomb us," she said, "you will bomb Muslims and Croats too. Remember that."

After months of being portrayed as the bullies of Bosnia, Serbs everywhere — from farmers to gunmen to kids riding bikes — appeared to relish resumption of the role they have gloried in for centuries, that of history's victims. Ever since their catastrophic defeat by the Ottoman Turks in 1389 at Kosovo Polje, Serbs have seen themselves as embattled underdogs.

But how does that explain a year in which Serb forces have swallowed up 70 percent of Bosnia, pummeling their Muslim and Croat adversaries?

"You must understand Serbian psychology," said Branko Markovic, 22, commander of the three tanks. "We have been fighting for centuries for freedom. I am ready to die for freedom, but if I die I will take an American plane with me."

COMBAT: Women Fighter Pilots

(Continued from page 1)

for women applauded the Pentagon decision.

"This is an action that should have taken place a year ago," said Carolyn Bearfat, a military policy analyst and former army captain.

"This will also give direction to the services, which were just trading water waiting for this."

Since the armed services began integrating women into their ranks 20 years ago, more positions have opened as concerns over women's abilities and their impact on morale faded.

Women are still barred from serving on submarines, aircraft carriers and other combat ships, as well as in the infantry, artillery and armored forces. Women flight instructors and test pilots are allowed to fly fighter jets, but not in combat.

Senior military officials and civilian analysts say lifting restrictions on women will force the armed services to evaluate all remaining male-only jobs. It may prove too expensive, for example, to accommodate sleeping quarters for women aboard navy minesweepers or attack submarines, which are already cramped.

In November, a presidential commission recommended that women be allowed to serve on most warships. But in a surprise event to Pentagon officials, the panel narrowly voted to continue barring women from combat cockpits.

Senior military officials had already begun planning to open more jobs to women, based largely on the successful performance of some 35,000 women who served in the Gulf War, mainly as mechanics, communications specialists, nurses and transport plane and helicopter pilots.

Five women were killed in hostile action during the war, and two were taken prisoner by Iraqis and later released.

About 8,900 women now serve on about 64 of the navy's 453 ships, most of them on supply and repair vessels. Of about 525,000 active-duty personnel, about 55,000 are women. Of about 9,400 pilots, 184 are women.

Of about 455,000 active-duty air force personnel, about 67,000 are women. Of about 16,000 pilots, 295 are women.

In the army, the aviation corps would be the branch mainly affected by Mr. Aspin's directive. Of 597,000 active-duty personnel, 72,600 are women. Of 12,442 aviators, 327 are women.

"The army is fairly well poised to integrate women into combat helicopters," a senior army officer said. "From the time the policy is approved, you'll see women in the field in 12 months or so, once you've identified, screened and schooled them."

In Congress, there is wide support for opening more aerial and naval jobs to women, and lawmakers are expected to pressure the Pentagon to continue that trend.

TRADE: Turf War in Washington

(Continued from page 1)

trade expert and has not sided definitively with either Mr. Kantor or Mr. Bentsen.

Mr. Kantor appeared to be holding the upper hand when Mr. Clinton criticized the Bush administration's decision to assess low tariffs on minivans. Mr. Clinton called the tariff "a \$300-million-a-year freebie to the Japanese for no apparent reason."

Mr. Clinton's language has often been tougher than his actions. For example, he criticized Japan's limited purchases of American auto parts twice during a short news conference with Prime Minister Kiichi Miyazawa of Japan on April 16.

But the issue, a pet concern of Mr. Kantor's, was not discussed during several hours of meetings between the two leaders, top officials said at the time. Mr. Bentsen and Mr. Christopher sat in during most of the meetings, while Mr. Kantor was present only at a luncheon at the end.

Mr. Bentsen said Tuesday that he had "a good, solid relationship" with Mr. Kantor. "Of course," he said, "there are various points of view within the administration and we each feel free to air our views candidly."

Mr. Kantor contends that the administration is united. "Some things we have different responsibilities to address, so it might look like we have different positions, but it is because we're looking at differ-

ent sides of the same issue," he said Tuesday.

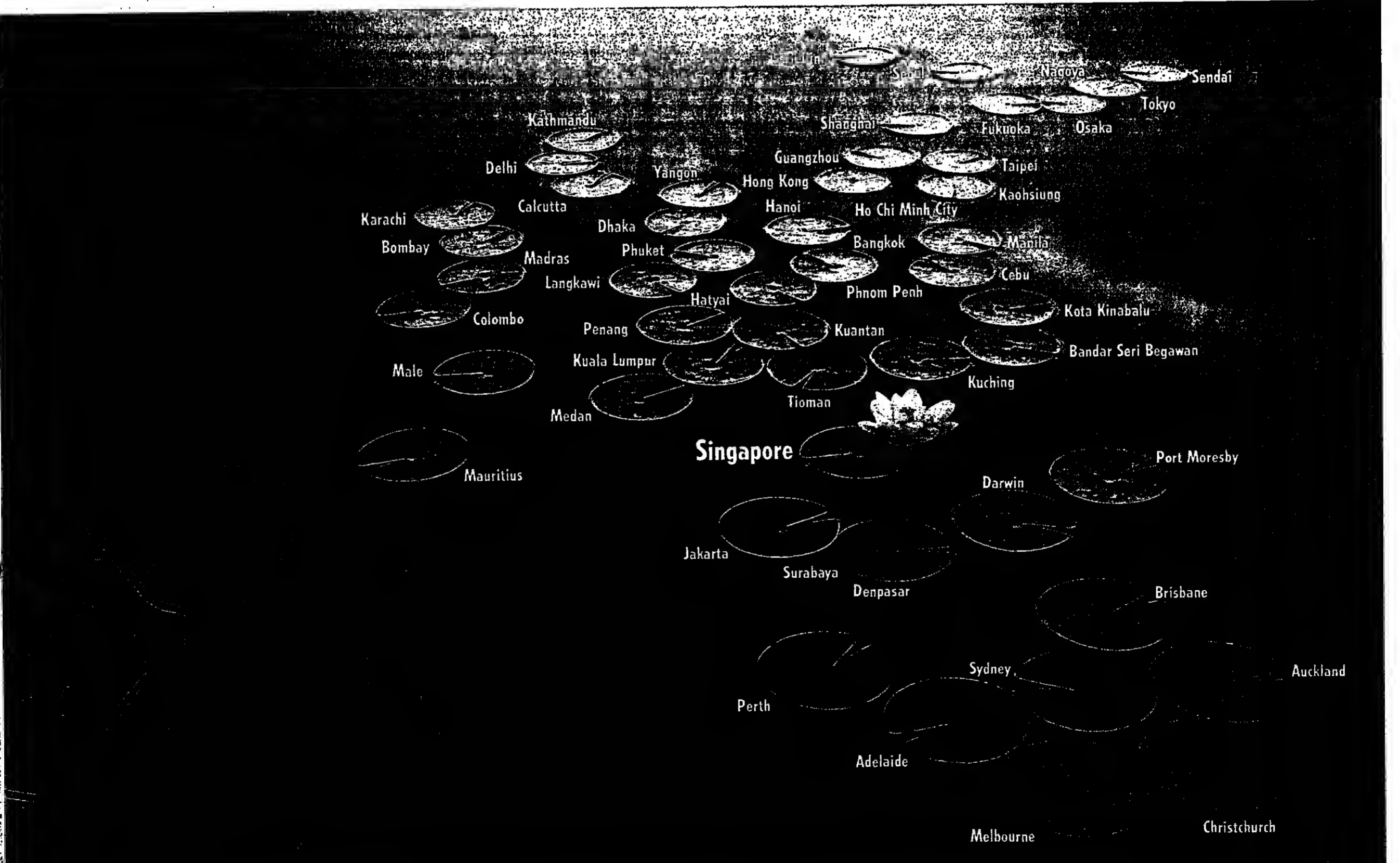
For example, he said later, federal law will require him to complete by the end of the week an annual review to determine which foreign countries fail to protect American patents, copyrights and trademarks. Negotiations will then begin with countries that fall short, and these countries will be threatened with trade sanctions if they do not reach a settlement.

"That makes it look that I am somehow moving into a harsh stance, but that's a legal obligation," Mr. Kantor said.

Mr. Brown had raised some eyebrows by traveling to Mexico and Japan to discuss trade issues before Mr. Kantor visited either country.

But Mr. Brown, who insisted in a separate interview that "we are absolutely united on trade policy," said these trips helped Mr. Kantor because the Commerce Department's delegations were conveying the entire administration's views on trade.

To be sure, Mr. Clinton and the entire cabinet do seem committed to congressional passage this year of the North American trade pact, which would eliminate trade barriers among Canada, Mexico and the United States. But the Treasury Department and the National Economic Council have been pushing for less ambitious side agreements to the pact than those advocated by Mr. Kantor's office.



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SINGAPORE AIRLINES

Mandela and de Klerk: Paths Converge as Roles Shift

By Bill Keller
New York Times Service

JOHANNESBURG—In this seemingly cruellest of Aprils, Nelson Mandela has been a slain protégé, consoled the survivors of a township slaughter, wrestled with the fury of his youthful followers and implored terrified whites not to flee the country.

He had been up late comforting the wife of Oliver R. Tambo, a lifelong friend and political comrade, who had died of a stroke. Now, perched erect on the sofa of his suburban home, clad in his blue Lacoste jogging suit, he was surveying the forest beyond the trees.

"If you look very carefully at the statistics, we are already on top of the violence," he declared Sunday, favoring the surprised looks of his guests.

There is a study that supports his point—4.25 political deaths a day so far this year, half of last year's rate—and Mr. Mandela insists that this is a durable trend, the result of a growing political collaboration that is, in effect, a new order already taking shape within the old.

A day later and 850 miles away in Cape Town, President F.W. de Klerk was calmly explaining his conviction that the past few weeks have, by letting whites and blacks glimpse the abyss, scared the country closer to its first universal elections—which he asserted he will be out to win.

If there is one thing they share, South Africa's white president-for-a-while and its black president-in-waiting, it is an ability to peer over the day-to-day

political turbulence and take their bearings on the long course of South Africa's trek from apartheid to democracy.

In the consecutive interviews, the two leaders reflected on that course, on obstacles ahead and on their own peculiar, indispensable relationship.

They are the oddest of political odd couples, simultaneously partners in negotiating the end of rule by South Africa's white minority and rivals in the campaign for power in the democracy that comes immediately after.

As collaborators, they worry about each other's safety. Mr. de Klerk said his first response upon hearing of the assassination April 10 of Chris Hani, the black South African Communist leader, was to order the police to call the African National Congress and offer extra protection for Mr. Mandela and other potential targets of assassins. Mr. Mandela said he had declined to have police bodyguards for fear he would "lose credibility," but he hints that the police have provided "low-profile" security.

Mr. Mandela, in turn, worries that if something happened to Mr. de Klerk, more conservative whites would take over and abort plans to end minority rule. "I can never normalize the political situation in this country without him," the black leader said. "That is the reality. I would regret if he is overthrown now. I want us to overthrow him properly when we have elections."

The two men dance a minuet of wary respect. At one point, Mr. de Klerk rose from his armchair in the 18th-century parliamentary townhouse where he maintains

his office and rummaged in some papers for a transcript. He returned and quoted aloud from Mr. Mandela's latest interview with an Italian newspaper:

"When I came out of prison, I said that President de Klerk was a man of integrity but added that one could not rely on one person alone for the necessary changes, and I indicated the National Party would have to change its attitude," the president read, and looked up.

Then he added, "That's more or less what I say about the ANC."

In the bargaining over South Africa's future, the two men agreed that the forward momentum was strong, even if the negotiating teams that resumed their work this week were incapable of agreeing on such details as a name for their assemblage. They do agree that an election will occur within a year, and that the date will probably be named by the end of May.

On other contentious topics, too, the two presidents say an accord is within reach.

But the issue that rouses both men is one that has been a source of tension from the outset of their negotiations: the balance of power in the next government.

The African National Congress, in its most important concession to the old order, has agreed that the victors in the first election will share cabinet seats with the losers in a government of national unity and that the cabinet's approval will be required on major decisions.

Mr. de Klerk said he remained dissatisfied with the

guarantees he had obtained so far. He wants the new cabinet to operate by consensus, not majority vote. He wants a bill of rights in place before surrendering power, with checks and balances on government powers as well as assurances for minorities, individuals and "cultural groups."

"The culture must not be that it is really majority domination with a few extras added to make people feel good," he said. "That's not real power-sharing."

If there are not sufficient guarantees to ease the fears of whites, he warned, deftly evoking the menace of the right wing, "you'll just exchange one form of suppression with another form of suppression, and one form of liberation movement with another form of liberation movement."

Mr. Mandela retorts: "What the National Party wants to do is to cling to power, to continue to govern after it has lost power. That's their strategy."

Mandela Cancels Portugal Trip

Mr. Mandela has canceled a trip to Portugal this weekend and will remain in South Africa to attend the funeral of Mr. Tambo, Agence France-Press quoted the ANC as saying Wednesday.

Mr. Mandela was to have visited Portugal over the weekend and then flown to London to meet Prime Minister John Major. The Portugal leg of the trip will now be rescheduled.

Mr. Mandela will still visit Britain next week, where he is to address a joint sitting of the Houses of Parliament on Tuesday and Wednesday.

EUROPEAN TOPICS

The Hills Are Alive With Plant Thieves

With spring in the air, British plant thieves are hard at work, taking grocery both rare and common. One gang in an overnight raid, managed in the size of a tennis court, complete with 6,000 bulbs and tuberos roots, from the grounds of a home for the disabled in Lincolnshire. Wildflowers are being taken from roadsides, and sphagnum moss is disappearing from moorlands. The Observer reports. Water lilies have been hard hit.

Some rare plant varieties are being stolen to order, possibly for "eccentric rich people," says Tony Lowe of the National Council for the Conservation of Plants and Gardens. At Ventnor Botanic Garden, on the Isle of Wight, thieves took Britain's entire national collection of pseudopanax, a rare evergreen shrub.

Plant life, a charity, is seeking to make it illegal to take plants from the wild, with or without the landowner's permission. And garden owners are not throwing in their spades without a fight. Some are hiring night watchmen; others have booby-trapped roses or wired hedges together underground. If you like the idea of giving an intruder a fright, you can now buy garden gnomes that light up when an intruder comes within 6 feet.

Around Europe

The Danube may not be blue, but it is not dying, either, says Jacques-Yves Cousteau, 82. During a study of the river undertaken on behalf of the Bank for European Reconstruction and Development, the French biologist and oceanographer found 65 species of edible fish, including catfish as large as 50 kilograms (110 pounds). "There are few rivers in Europe you can say that about," he said.

A native Londoner, with a good ear for accent can tell which side of the Thames a speaker comes from. Indeed, in "Pygmalion," Henry Higgins claims he can place any man in London within two miles, "sometimes within two streets, by the way he talks."

The principle applies to birds, as well. If you believe Lance Workman, a researcher at the University of Glamorgan. He recorded the songs of 80 robins, half from Wales and half from London, and then compared them. He found clear differences, he says, "as if the birds had different dialects." His thesis is that, like humans, young robins learn from what they hear around them, and regional differences can develop over time. Intriguingly, he found that the Sussex birds became aggressive when they heard Welsh-accented bird song.

Snobbery has its advantages, says Jacques de Ricaumont of Paris, a contributor to the 1958 Dictionary of Snobbery and author of the new "In Praise of Snobbery."

Snobbery, he tells us, is the virtue of protecting a person of discernment from the base and vulgar. "Certain hostesses owe their exceptional situation purely to their rigor," he writes. "It is not because of their long name, but rather because they receive almost no one that it is such a privilege to be received by them."

A pious Catholic, Ricaumont nonetheless sees room for improvement in church conventions. He suggests that the traditional prayer "Give us this day our daily bread" be replaced by "Give us this day our daily life." He himself long ago turned up his nose at bread.

So is snobbery alive and well? Well, says Mr. Ricaumont, "if snobbery were a mortal sin, we would all burn in hell."

Police and Youths Clash Near Paris

PARIS—A group of youths clashed with policemen and smashed windows in a housing complex near Paris in an incident coinciding with the start of a big parliamentary debate on urban problems.

The trouble began Tuesday night when a man with mental problems fired shots from his apartment at a group of young people in Grigny, south of Paris, a local government spokesman said Wednesday.

The only person badly hurt was the gunman, who was shot in the stomach when police moved in to arrest him. Security forces had to prevent the crowd from attacking the man as he was taken away in an ambulance. Furious at not being able to administer their own justice, the youths began throwing stones at the police.

Many Yemeneis are bracing for trouble if some of the main contenders are unhappy with the outcome. They fear that a pledge by Islam to respect the rules of democracy and a smooth change of power may not hold and that the militant Islamic party will use the parliament to pass legislation that may compromise the democratic process.

With the economic problems plaguing Yemen since Saudi Arabia and other Arab countries on the Gulf expelled a million Yemeni workers in reaction to Sana'a's siding with Iraq in the Gulf War, few here have any illusions that major improvements are under way.

The well-organized Islamic movement toward pluralism and democracy in a region traditionally ruled by monarchs.

"What is significant is that the whole Gulf is watching," said Margaret G. Thompson of the International Republican Institute, who is heading an international team of 20 foreign observers.

"This is the first multiparty election, not only in the history of Yemen but in the whole Arabian Peninsula," Foreign Minister Abdul Karim Iryani said.

The election was to choose among 3,545 candidates from 21 parties for 301 seats in the national legislature. The candidates included 49 women, who, for the first time, were allowed to vote. Election officials late Tuesday put the turnout at about 80 percent of the 2.7 million registered voters in the

President's Party Nears Victory in Yemen Vote

A total of 301 parliamentary seats are at stake.

The Supreme Election Committee said Colonel Saleh's General People's Congress won 43 out of 64 constituencies where counting was completed.

The Islamic opposition Yemeni Gathering for Reform was second with eight seats. The former Marxists of the Yemen Socialist Party lagged with four seats.

The People's Congress and the Socialists have been sharing power since North and South Yemen merged in May 1990.

(Reuters, AP)

Move Toward Democracy

Nora Boustany of The Washington Post reported earlier from Sana'a: The election is seen here and abroad as a key element of state-building and also an important

country of 14.5 million. Results are not expected until week's end.

Analysts predict that the ruling coalition of the General People's Congress and the Yemen Socialist Party will retain control of the legislature for another five-year term.

But the Islamic Party, the Muslim fundamentalist movement, has been gaining influence and expects to win a sizable minority bloc.

The opposition parties include a mix of Nasserists, Iraqi Ba'athists, Iran-inspired fundamentalists and independents.

The last five months have been marred by political assassinations and bombings, forcing Colonel Saleh to postpone the election twice and to strike accommodations with the Islamic Party.

ed to be funded by Saudi Arabia, is headed by Sheikh Abdullah Ben Hussein Abmar, the most powerful tribal chief in the country.

Police and Youths Clash Near Paris

Police and Youths Clash Near Paris

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HEALTH / SCIENCE

Doctor Closes In on Elusive Gene That Causes Breast Cancer

By Natalie Angier
New York Times Service

BERKELEY, California — Mary-Claire King, a geneticist of international renown and neotonic stores of energy, is sitting in her sunny, unimposing office at the University of California in Berkeley, talking about the current research of her many passions. She is trying to find the gene for hereditary breast cancer, a gene that could be of great significance to hundreds of thousands of women at great risk for early onset of the disease. She has been seeking the gene for 17 years, weathering the skepticism of her colleagues, and even sometimes her own doubts. Not long ago she found the approximate location of the gene, and she and her students are homing in on the trophy proper. She wants it very badly, and she believes her laboratory is very close. She also knows that other labs have since joined the race, and she would hate to see some newcomer step in at the final hour and seize victory. "It could be in there right now, sitting on one of our plates," she says, referring to the petri dishes where segments of isolated genetic material await analysis. Her voice intensifies, and her deep dimples disappear along with her smile. "We're obsessed with finding the gene," she says. "I want it to happen in our lab."

ly, a loud crowd of delight fills the hall: "Yes! Oh, yes! That's WONDERFUL!" She returns to the office, her face glowing. Has the gene been found? Are the scientists even nearer their goal than she suspected? "He just told me he's getting married," she says. "I am so, so happy for him."

Geneticist also works with human rights groups.

mitted as any basic researcher to rigor and abstraction, nearly everything she has ever chosen to work on has had, at its core, a deep sense of humanity. She won her greatest fame by working in Argentina with a human rights group, the Grandmothers of Plaza de Mayo, attempting to reunite, with their families, children who were kidnapped in the 1970s and early 1980s by the Argentinian military junta. By analyzing genetic material from the children and comparing it to the genes of grandmothers and other relatives who survived Argentina's eight-year "dirty war," Dr. King and her co-workers were able to prove that many children had been snatched away as infants and given to other families, while their real parents were either shot outright or mysteriously disappeared.

Dr. King also has immersed herself in the case of El Mozote, a village in El Salvador where, in 1981, at least 794 peasants, many of them children, were massacred by American-trained soldiers of the Salvadoran military. The first skeletons of the victims were dug up last October, and the government of El Salvador has agreed to permit a thorough forensic analysis of the remains once the exhumations are complete.

Dr. King, 47, is enough of a pragmatist to have hoisted herself up to the summit of mainstream science. She was a strong candidate to replace Dr. James Watson as the director of the Human Genome Project, the federal enterprise to map and analyze all 100,000 human genes; the job went to Dr. Francis Collins, a geneticist at the University of Michigan, who is collaborating with her on the quest for the breast cancer gene.

Dr. King was asked to apply for the job as head of the National Institutes of Health, to replace the departing Dr. Bernadine Healy, but declined to be considered.

"I'm not interested in a job with that level of administrative responsibility," she said. "I would be too far removed from what I love to do, which is science."

Last week Dr. King and two other researchers published a report in *The Journal of the American Medical Association*, anticipating the upcoming isolation of the gene behind early-onset breast cancer, and discussing the possible options for those who carry the mutant gene, an estimated 600,000 women in the United States.



Dr. King, grandmothers marching in Argentina.

Such women are at extremely high risk of contracting breast cancer before the age of 50, the researchers said, and they must think carefully about whether to take such drastic measures as having their breasts removed or enrolling in the ongoing trial of tamoxifen. Scientists hope the drug will help prevent many breast cancers but its effectiveness is unknown and it has many potential health risks.

Dr. King's lab is also doing two projects on AIDS research, asking whether genetic variations could explain why some people survive with the disease much longer than others. Her team is studying the genes behind hereditary deafness and joints are progressively destroyed, and it is bunting for the gene behind hereditary deafness.

Dr. King is a proponent of the Human Genome Diversity Project, headed by Dr. Luca Cavalli-Sforza, a population geneticist at Stanford University in which researchers plan to sample genetic material from some 400 human populations worldwide, with an emphasis on the oldest and least intermixed people, like the Basques of Spain, and the Ket and Gilyak of Siberia. By scrutinizing the chemical runes of genes, the researchers hope to answer many questions of evolutionary, linguistic and anthropological sweep: Where did modern humans come from? How did they migrate across the globe? Did genetic changes in any way correlate with language variations, and might genetic discrepancies explain differing rates of disease among different countries? Dr. King spends several days each month traveling to Washington, in part to lobby for money to support the enormously complex effort. This haphazard collection of projects is done by a relatively small lab of 20 people, including Dr. King. She also teaches graduate and undergraduate courses, including a freshman genetics class for non-science majors. And, rare for a research professor, she sees teaching not as drudgery but a pleasure. Dr. King traces her scientific style to her mentor and thesis adviser at Berkeley, Dr. Allan C. Wilson, an intellectual firebrand who died two years ago of cancer at the age of 57. Dr. Wilson was famed for his work on the so-called genetic Eve, a woman who supposedly lived about 100,000 years ago in Africa and is the theoretical mother of all humans alive today. Those who worked in Dr. Wilson's lab mastered the art of attacking evolutionary puzzles with molecular artillery, relying particularly on the genes sequestered in the mitochondria, the tiny powerhouses of the cell. Dr. Wilson also stopped Dr. King from quitting science almost before she got started. "I could never get any of my projects to work, and I was very depressed and distracted," she said. "He said, if everybody who couldn't get anything to work dropped out of science, there would be no science."

Thus inspired, she completed her doctorate, showing, to the shock of herself and the entire scientific community, that humans and chimpanzees have more than 99 percent of their DNA in common. From there she went to Chile with her husband, Robert Colwell, a zoologist, to teach, but they decided to return to the United States after the leftist government of Salvador Allende was overthrown. Thanks to her experience in South America, her familiarity with the language and people, when the Argentinian grandmothers sought the help of scientists to solve the problem of the missing children, Dr. King ended up as the molecular geneticist on the case.

The work was at once grueling and inspiring, demanding frequent trips to Argentina, 18-hour days and the spine to stand up against the surly and grudging military there. The Argentinian project continues, and so far 53 children have been reunited with their original families, with another 150 yet to be found.

Antibiotics: A New Suspect

By Gina Kolata
New York Times Service

NEW YORK — When Alexander Fleming discovered penicillin more than 50 years ago, the substance mowed down bacteria. But bacteria have fought back with a vengeance. Now, for example, as many as half of all bacteria that cause urinary tract infections are impervious to penicillin and other common antibiotics. One reason resistant strains of bacteria flourish is that antibiotics are lavishly used, even showing up in animal feed so that the meat people eat can contain trace amounts of the drugs. When bacteria are constantly exposed to antibiotics, they are under a constant selective pressure to become and remain resistant to the drugs. But now microbiologists have come upon a surprising new suspect that may elicit antibiotic resistance: dental fillings. Amalgam, the dark gray material that dentists commonly use to fill cavities in molar teeth, is 50 percent mercury, which, studies have shown, slowly leaches out of the fillings. The possible connection with antibiotic resistance comes about because genes that protect bacteria against mercury poisoning are often bundled together with genes that make the bacteria resistant to antibiotics. So if mercury from fillings elicits and maintains a population of bacteria that are resistant to mercury, it might also elicit and maintain bacteria that are resistant to antibiotics. In a study published in the journal *Antimicrobial Agents and Chemotherapy*, Dr. Anne O. Summers of the University of Georgia and her colleagues show that in monkeys at least, that is what happens. When the researchers put fillings into the molars of six monkeys, they found that within five weeks bacteria in the monkeys' intestines became resistant not only to mercury but also to commonly used antibiotics, including penicillin, streptomycin, kanamycin, chloramphenicol and tetracycline. "It is a provocative and intriguing finding," said Dr. George Jacoby of Harvard Medical School. Dr. Jacoby, an expert on antibiotic resistant bacteria, added that although overuse of antibiotics was undoubtedly a major cause of resistant bacteria, the new study indicated that "it could be that dental fillings are also inadvertently contributing to the problem."

Others agreed. "The public health implications are enormous," said Dr. Stanley Opella, a chemist at the University of Pennsylvania who is studying mercury resistance in bacteria. But he cautioned that although "the chances are good" that fillings generate antibiotic-resistant bacteria, "it is still a basic research finding that needs to be checked out."

The American Dental Association, responding to news of the study, said that amalgam fillings were safe and that a study concentrating on animals "cannot be viewed as affecting humans."

The new study "is very interesting research," said Dr. Terry Donovan, of the dental association's council on dental materials, but he added that the findings were far from conclusive: "I don't think anyone should be concerned at the present time," he said.

THE next step, Dr. Summers said, will be to examine human oral and intestinal bacteria. She and her colleagues will be sampling bacteria in people before and after they get new amalgam fillings.

Dr. Stuart B. Levy, a microbiologist at the Tufts University School of Medicine, thinks that if fillings turn out to be significant contributors to antibiotic resistance in humans, dentists may want to stop using amalgams.

But, Dr. Donovan said, that is not so easy. Although fillings can also be made of gold, a composite resin, or porcelain, he said, "any alternative to amalgam is considerably more expensive and probably doesn't last as long, with the exception of gold."

In Midwifery, a Revolution

By Jane E. Brody
New York Times Service

NEW YORK Not long ago, midwives were self-trained "grannies" who assisted women who could not afford to get to a doctor or hospital to give birth. But in the last two decades, midwifery in the United States and in Europe has undergone a professional revolution that is bringing high-quality and highly personalized obstetrical and gynecological care to ever-growing numbers of women, pregnant and otherwise. At the same time, the rise of consumerism and the women's movement have prompted many affluent women to choose to have their babies either outside or within hospitals aided by professionally trained and certified nurse-midwives, with doctors acting as consultants should a complication of pregnancy or delivery arise. According to a recently issued analysis of 15 studies of births assisted by either certified nurse-midwives or doctors, the babies delivered by the midwives fared as well as or better than those delivered by

doctors, even though those cared for by doctors were at no greater risk for a poor outcome. Babies who were considered to be at risk were not included in the study.

The analysis, undertaken by researchers for the American Nurses Association, revealed, perhaps not surprisingly, that the babies delivered by midwives were more likely to be born vaginally without induction of labor, fetal monitoring, forceps delivery or episiotomy (a surgical cut of the vaginal opening).

But midwife-delivered babies, the study found, were also less likely to be born prematurely or with an abnormally low birth weight and tended to have higher scores on the Apgar scale of several signs of a newborn's condition five minutes after birth.

Women whose babies' births were assisted by midwives also had shorter hospital stays and were more than twice as likely to breast-feed their babies. Roxanne Greenstein of New York, the daughter of a doctor, chose to have midwives deliver both her children at St. Luke's-Roosevelt Hospital in New York. "For a healthy young person,

it was the most natural way to go," she said in an interview.

"The deliveries were very competently handled, and since they took place in a hospital, not at home, I know there was no danger. Michael, my husband, was very much a part of it all, and the midwives made childbirth feel natural and comfortable for both of us."

Other parents complain about the high-tech atmosphere of many doctor-assisted hospital deliveries.

EVEN though more than 87 percent of births attended by certified nurse-midwives occur in hospitals, the setting (often the labor room) and the techniques used by midwives tend to far less clinical.

For those who worry that they may be getting short shrift if assigned to a nurse-midwife instead of a doctor, a study published a year ago in *The American Journal of Public Health* should provide comfort. Midwives who practice in hospitals serve women who are at higher than average risk of birth complications, the study showed.

BRIDGE

By Alan Truscott
THE state of Connecticut has not yet produced any world champions, but it has a group of very strong players who win frequently in the New York metropolitan area and are competitive at the national level. One is Richard De Martino of Riverside, Connecticut, who finished third in the Open Pairs three weeks ago at the Spring Nationals of the American Contract Bridge League. He was playing with Stephen Williams of Lawrenceville, New Jersey, and they were aided by the diagramed deal. They were using four-suit transfer bids, now very popular among experts, and the two-spade response showed club length. The four no-trump bid was natural and invitational, and De Martino as South chose to continue.

It was lucky for him that West held the spade king, making a lead of that suit ineffective, and the choice was a diamond. South put up dummy's jack, which won, and cashed the top trumps.

When the queen did not appear he came to the diamond ace, cashed the heart ace and led to the diamond king. He then finessed the heart jack, and when this won he continued hearts.

If the suit had divided evenly he would have claimed the slam, since the last heart would take care of dummy's spade loser.

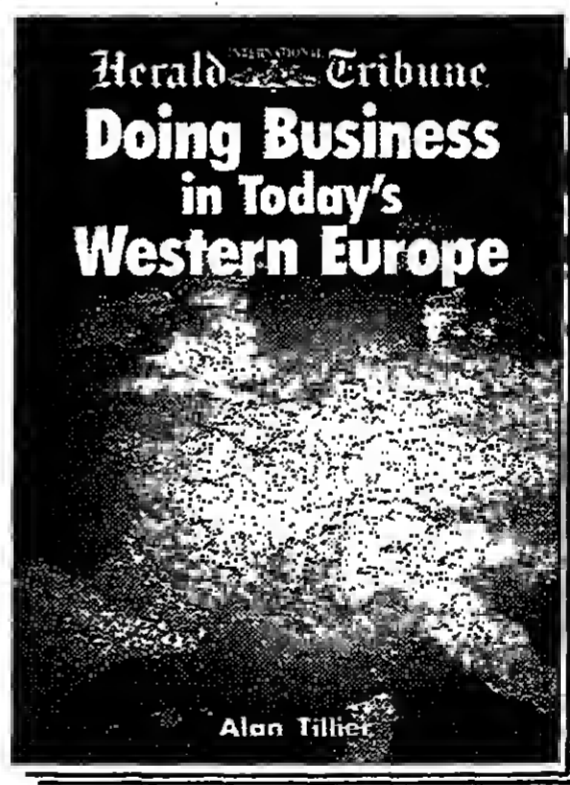
As it was, West refused to ruff but was thrown in with a trump lead and endplayed: He had to choose between leading from the spade king or giving a ruff-and-shuff.

Neither side was vulnerable. The bidding:

West	North	East	South
1 ♠	2 ♣	4 ♠	4 ♠
4 N.T.	5 ♣	DBL	Pass
7 ♣	Pass	Pass	7 ♣
DBL	Pass	Pass	Pass

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OPINION

Herald Tribune

Armenia and Azerbaijan

Largely unattended, the vicious and draining war involving the former Soviet republics of Armenia and Azerbaijan has moved into a dangerous new phase. Until now it has been a struggle over the enclave of Nagorno-Karabakh, a region in Azerbaijan whose ethnic Armenian majority is trying to carve out an independent state. But the conflict has been altered by Armenians' capture—whether they are from Karabakh or Armenia proper is, typically, in dispute—of a broad belt of Azerbaijani territory connecting the two. Now the integrity of Azerbaijan is at issue.

Next Test for Eritrea

Eritrea, soon to become Africa's newest independent state, has fought fiercely for three decades for a bill of divorcement from its landlocked neighbor, Ethiopia. Last weekend's referendum formalizing independence. Yet rejoicing is pretty much confined to Asmara, Eritrea's palm-lined capital. Other African countries are watching with trepidation. Statehood for Eritrea will be the first time Africa's post-colonial borders have been redrawn, and statehood will be followed unless Eritreans and Ethiopians can come to terms with each other.

Ross Perot Is Cheating

One of the reasons even Ross Perot's critics had found it impossible to dismiss him entirely was his willingness on occasion to speak difficult truths, and to speak them to both Democrats and Republicans. Mr. Perot was willing to tell Democrats that balancing the budget would require spending cuts. And he was willing to tell Republicans that taxes would have to go up, too.

Other Comment

No Carte Blanche for Yeltsin
The Russian electorate gave President Boris Yeltsin a clear mandate to continue his policy of reforms, and he can now call on the support of the people to push forward with the preparation of a new constitution. There are certain benefits to be derived in the new Russia from keeping to the difficult path to democracy.

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Darkness Over the Balkans

By William Pfaff

LONDON — Had the best minds of our times been set to work to produce the worst terms possible for intervention in the Yugoslav war, they could not possibly have improved on the policy the West has actually followed and the result it has produced.

What do sanctions mean to them? The Bosnian Serbs' war of conquest will go on, and any of the UN forces in their way will be shoved aside.

tion of Muslim refugees. Britain says it will defend the Canadians unilaterally if the Serbs attack, but its resources in place are slender. We have the commander of Britain's Cheshire Regiment, Colonel Bob Stewart, in western Bosnia, cursing the Croats for their atrocities, being fired on by Croatian snipers and returning the fire, while bitterly but determinedly repeating to his men "Neutrality, neutrality, neutrality!"

For Strategy for Imposing and Guarding Safe Havens in Bosnia

By Johan Tunberger

STOCKHOLM — There is a void between the moral outcry over the atrocities in Bosnia and the political-military hand-wringing. Discussion of strategy is called for. The traditional peacekeeping has failed. Some contingents of the UN Protection Force have performed brilliantly, but it has an impossible mission. Its forces are routinely bullied, in the immeasurable detriment of the United Nations' future ability to act.

also serve as staging bases for patrols in outside areas. These havens would not, of course, be havens. Various groups would attempt to bring in their own forces. Security, within would have to be stiff. When not prosecuted, breach of rules should mean automatic expulsion. The greatest outside threat to the sanctuaries would be artillery fire. Reconnaissance and strike aircraft as well as attack helicopters could play a useful role, but are not enough. To pinpoint hostile artillery positions, artillery-locating radars would have to be deployed in the safe havens. Protecting forces could then instantaneously open up counter-battery fire with deadly accuracy.

Challenges should always be met with dominant but proportionate force. To ensure "escalation dominance," highly responsive mobile reserves are called for. Air mobile units like the U.S. Army's 101st Division and similar helicopter-borne units in several NATO armies seem ideal. They would also be well-suited for the initial securing of the safe havens in blitz operations, one by one. Fifty thousand to 100,000 troops should be enough. It would not be clean, surgical or cheap. Smaller but still considerable forces would have to stay for years to protect people and impose a military stalemate.

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The writer is director of European security studies at the Forsvars Forskningsanstalt (Defense Research Establishment), a think tank in Stockholm. He contributed this comment to the International Herald Tribune.

Nothing Wrong With Knowing the Minds of Would-Be Justices

By Paul Gewirtz

NEW HAVEN, Connecticut — Bill Clinton is being criticized for saying he wants to appoint Supreme Court justices who believe that the U.S. Constitution protects a woman's right to choose to have an abortion. Critics say that this is an inappropriate litmus test and will undercut the court's independence.

that judges interpret, and a judge's philosophy and views will inevitably affect his or her interpretations. Prospective Supreme Court appointees have given serious thought to large legal issues like abortion, or one hopes they have. These views are likely to influence their actions as judges.

initially would have strong reasons to think that it should be followed as precedent, not simply to preserve its social benefits but also to protect the court's legitimacy and to protect the country from the political turmoil that overturning Roe would unleash.

the notion that justices should be named with indifference to their legal philosophy and constitutional views ignores how judicial decisions are inescapably made. At one time, perhaps, decisions were seen as merely logical deductions from clear and agreed legal premises. Today we recognize the judges' leeway, particularly on the Supreme Court, and we recognize that a justice's starting-point views and jurisprudential predispositions often are important in shaping what he or she understands the law to be and how he or she decides cases.

ally cannot be changed without a constitutional amendment. The dilemma is how to assert some democratic control without undermining judicial independence. Negotiating between those two values is difficult, and "democratic" excess is surely possible: A president might try to enact judicially a list of his supporters' favorite policy positions; politically vulnerable minority and individual rights might be devalued; commitments about future cases might be sought. But assessing a candidate's views need not take this route, and indicates that he wants to use his appointment power to those ends.

A Distinguished Journalist in the Dock

By Richard Harwood

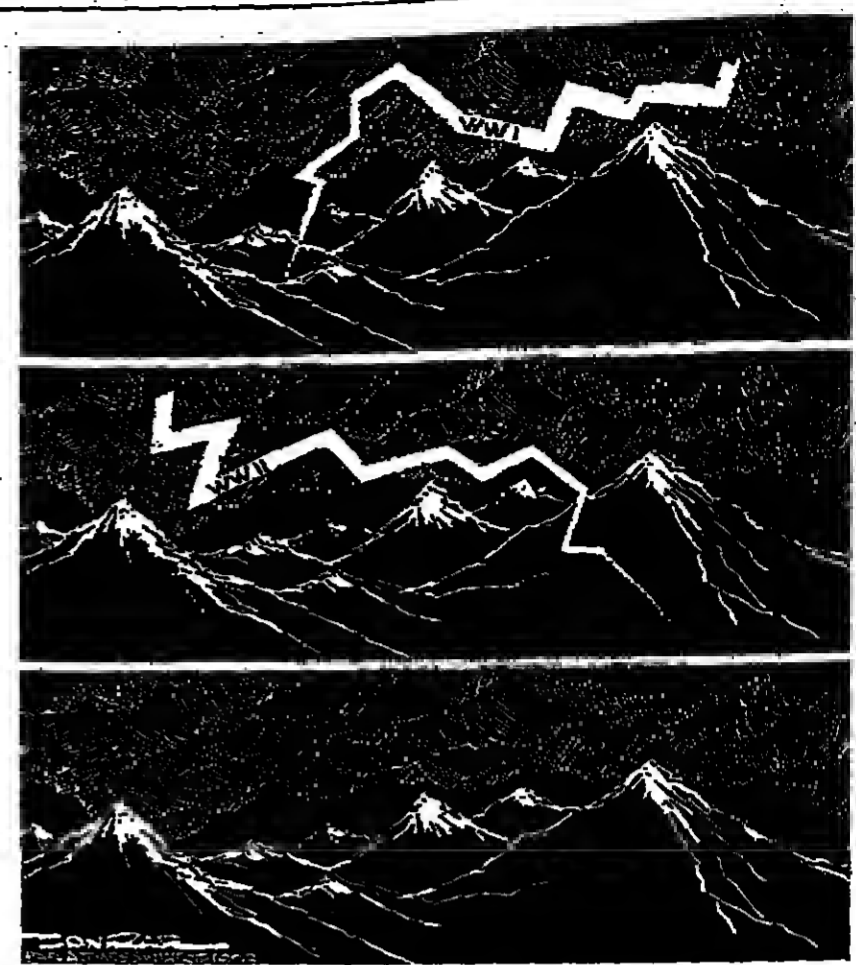
WASHINGTON — Arthur Krook was a man of stature and influence during his 35-year career in the Washington bureau of The New York Times. By the time he retired in 1966, he had acquired four Pulitzer Prizes and a secure place in the history of American journalism.

favorable light. In a letter to Mr. Kennedy, then ambassador in London, Mr. Krook wrote: "I know what a wonderful job you have been doing and I am highly indignant over the barrage of misrepresentation to which you have been subjected. That some of my [newspaper] friends are active in it disturbs me very much, and I have protested to two of them."

Supreme Court appointments cannot and should not be altogether divorced from the political process. The appointment process is one of the few democratic controls on an unelected court that has broad leeway, whose members have life tenure and whose constitutional interpretations gener-

1893: New Opera Season
LONDON — In view of the exceptional number of novelties to be given at Covent Garden during the forthcoming season, the orchestra is to be called together a week earlier than usual, so as to afford time for studying the unfamiliar works before the stage rehearsals begin.

1943: Poland and Russia
LONDON — [From our New York edition:] The Polish government-in-exile here issued a statement tonight [April 28] declaring that its policy is aimed at "a friendly understanding between Poland and Soviet Russia on the basis of integrity and full sovereignty of the Polish Republic."



British, French, Spaniards and the others in Montenegro as well, and against Albania, making up the UN force, as well as any Bosnians they try to defend, all die. No doubt when that prospect is imminent it will clear a few minds in Western governments, but equally undoubtedly this will be too late.

سوانح الیوم

OPINION

Hear the Conservative Case For Gay Rights and Dignity

By E. J. Dionne Jr.

WASHINGTON — Put aside some of the more tasteless acts you might have seen on stage during television coverage of Sunday's gay rights march in Washington. If, instead, you wandered through the crowd, you were struck by something quite different: the infinite variety of political organizations, singing ensembles, mutual aid societies and support groups that came together not to shock but to talk about freedom.

focus on the more bizarre manifestations of sexuality, like the man who spoke on National Public Radio on behalf of what he called "the responsible leather community." But "the responsible leather community" would do its thing no matter what the laws or customs were. The people who most need protection from bigotry and discrimination are precisely the most conventional people in the gay community, the people who want to live and work in the mainstream. To deny them their rights is to push them to the margins.

That is why the battle over gays in the military is so important. What homosexuals are demanding is not protection for "bizarre" behavior, but the ability to do something that people admire: Put one's life on the line for one's country. There is no more basic expression of full citizenship, no better way of demonstrating a commitment to shared purposes.

Opponents of gays in the military sometimes argue that granting this most basic right would amount to social sanction of what they see as sinful behavior. But since when has sainthood been a requirement for military people? Those who make this argument usually regard adultery and premarital sex as a sin, yet no one is proposing to dismiss adulterers or swinging singles from the armed forces unless they abuse the rights of others. Homosexuals are perfectly ready to live by just that standard.

I would thus like to suggest that there is what you might call a traditionalist or conservative case for gay rights. It is a case built around a concept promoted by Pope John Paul II (no traditionalist radical he) about the need for all of us to respect "the dignity of every human person."

There is a flip side to this "traditionalist" case for gay rights, and it has to do with respect for the dignity of those who do regard homosexuality as a sin or are otherwise uncomfortable with it. That respect needs to show itself most in public institutions. If public institutions like the military need to be neutral as regards homosexuality, then institutions such as the public schools cannot be asked to be partisan.

This view sees the greatest achievement of the gay rights movement as involving the use of politics on behalf of a cause that has almost nothing to do with politics as such. What has changed permanently in the United States is the way heterosexuals relate to gay people, and the way gays and lesbians relate to society. Put simply: Nobody has to be ashamed of being gay anymore.

That means that there are limits to what gay rights supporters can demand in public school curricula. The public schools should absolutely teach respect for the rights and dignity of everyone, explicitly including gays and lesbians. That is a core civic value. But on matters as personal as sexuality or prayer, we cannot and should not ask the public schools to push sectarian agendas.

It is thus wrong — in fact, a form of bigotry — to cast all parents who object to particularly liberal forms of sex or "diversity" education as bigots. Usually these parents simply want the schools to teach reading, writing and math and a handful of values that we all agree on. Let's stop demonizing each other.

And let's celebrate our freedom. Let's be glad we are less bigoted than we used to be, less narrow-minded, less filled with hate. And should our freedom ever be imperiled, let's be sure that all of our citizens, straight and gay, can be called upon to defend it.

At Sunday's march, I was most moved by the gay men and lesbians in their 50s and 60s. One could only imagine how much they were put through in the course of their lives: how much lying they might have been forced to do, how many insults they endured. It is any wonder that there is so much anger in the gay rights movement? What freedom they must have felt on Sunday.

It is easy for critics of gay rights to



LETTERS TO THE EDITOR

Facing the 21st Century

A new world, already economically interdependent, with instant communication, rapid travel, global trade, live television from any region, and much, much more has already emerged. Even our environmental problems are global in scope, recognizing no borders and affecting us all; moreover, they can only be resolved through cooperative action.

Amended time and again over the years, just as our own constitution has been. No one can say exactly how long any plan will last. Peace can endure only so long as humanity really insists upon it, and is willing to work for it, and to sacrifice for it.

The old ways of world politics will not work for our new interdependent world; neither will old tribal allegiances. Socrates described himself as "a citizen, not of Athens, nor Greece, but of the World." This is an idea whose time has come.

DOUGLAS MATTERN, President, Association of World Citizens, San Francisco.

Arab Martyrs to Freedom

Regarding "When Will Arabs Revolt Against Cruelty at Home?" (April 14) by A.M. Rosenthal: While I fully agree with the author's assessment of Arab governments, he might have paid tribute, even fleetingly, to Arab intellectuals who have given their lives in defending freedom of thought.

Seeking the Reason Why

Former Prime Minister Margaret Thatcher criticizes the "passivity" of Europe in the face of the Bosnian crisis, and so do former President Ronald Reagan and former Secretary of State George Shultz. One could go on. To our despair we have been reading this day after day for a year, yet nothing is done.

When will one of our leaders have the courage to tell the unpalatable truth and explain the continuing inaction? If the concern is that Russian "volunteers" would come by the hundreds of thousands to the immediate rescue of their Serbian brothers and that this might ignite a world war, why not say it? Because if this is not the reason for all the inaction, what can it be?

SEERGE C. WARNIER, Paris.

Suffering in Azerbaijan

Regarding "Suffering in Armenia" (Letters, April 2) from Kevork Oskanian: Armenian leaders and the Armenian lobby in the West are propagating the notion that Armenia is suffering considerably under the effects of the Azerbaijani blockade, that life in Armenia is "cold, grim and hungry. Yet the same Armenians support a well-organized,

30,000-strong army that is attacking and occupying one-tenth of Azerbaijan territory in violation of international law, and which has deported and massacred Azerbaijani civilians.

SYMON KERSTEN, Warsaw.

Stop the Musak

Regarding "Café Music: Good, Bad and Sappy" (Letter, April 9): Bryan Miller is much too generous. As discerning diners, serious restaurateurs and all musicians know, any canned music during one's meal is at best a distraction, at worst an abomination.

Live music of a proper style, volume and instrumentation is of course in a different category, but as he points out, this has become almost extinct. In its absence, the best background sound in a restaurant is the clink of tableware.

THOMAS V. MILLER, Abidjan, Ivory Coast.

Cruel and Now Forgotten, Like an Unmarked Grave

By John C. Ansland

OSLO — General George S. Patton described it as an "epic of stark infantry combat." The U.S. Army Command and General Staff College at Fort Leavenworth, Kansas, later used it as an example of how a battle should not be fought. These conflicting views refer to a battle that has been forgotten by all except those of us who got a taste of hell in a patch of German woods near Aachen in late 1944.

Some replacements were wounded or killed by artillery or mortar fire before they could even reach the front lines. Everyone who went into that forest asked the same question: Why? It is only recently, while doing research on this battle, that I learned the answer: It was all a mistake.

MEANWHILE

I revisited the Hurtgen Forest. In a matter of minutes I drove from one side to the other. Returning, I stopped and walked into the woods. New trees had replaced those that American and German artillery annihilated. The earthen bunkers had been smoothed over and the slit trenches filled. The barbed wire and mines had been removed.

Before he launched the attack, General Collins's intelligence failed to inform him of the dams on the Rur River, to the east of the forest. Even if we had got through the woods, we could have gone nowhere for weeks because the Germans would have opened the dams and flooded the flat terrain along the river. (They did this after the Battle of the Bulge.)

There was no way of knowing that anything unusual had ever taken place there, and this made me angry. It is bad enough that a purposeless battle was fought, but to forget it is like leaving a grave unmarked.

In his memoirs, General Collins admitted that his intelligence had let him down. He did not explain, however, why he continued the attack after learning about the dams.

After racing across France and Belgium, the allied offensive stalled along the German border in September 1944. We had outrun our supply lines, which still depended on Cherbourg and the beaches in Normandy.

The leading expert on the Hurtgen Forest was the late Charles B. MacDonald. In his book "The Battle of the Hurtgen Forest" he concluded: "Those in the forest fought a misconceived and basically fruitless battle that could have, and should have, been avoided."

General Dwight Eisenhower diverted those supplies that were available largely to Field Marshal Bernard L. Montgomery's dash across the Netherlands in an effort to seize a bridgehead over the Rhine, an episode later dramatized in "A Bridge Too Far." That attack not only failed but also delayed the opening of the port of Antwerp.

Given this history, it is perhaps understandable that the U.S. Army would just as soon forget the Hurtgen Forest and has made no effort to mark the battleground.

Hitler took advantage of allied logistic difficulties to rush troops to Germany's western border, while he quietly gathered the forces which in December launched what became known as the Battle of the Bulge.

The only indication I could find that the Germans, most of whom prefer to forget the war, remember this battle was a cemetery near the town of Hurtgen. A large sign near the entrance, in German, gives an account of the battle.

As a part of his effort to move his Seventh Corps toward the Rhine, Major General J. Lawton Collins decided in October that it would be necessary to take the Hurtgen Forest. The German generals were puzzled by this decision, but they had orders from Hitler to defend every inch of Germany.

Next year will bring the 50th anniversary of that terrible bloodletting. U.S. military authorities are busy planning to commemorate the landing in Normandy and other well-known operations. They have no plans to remember the thousands of men who fell in the Hurtgen Forest. This is wrong.

Before the American forces could fight the 14 miles (23 kilometers) to the other side, the Germans had mauled five divisions. One of these was the Fourth Infantry Division, in which I was artillery liaison officer to an infantry battalion. The division had about 14,000 men.

At the very least they should erect a monument at a suitable place in the forest, such as one of the parking areas between Schevenhütte and Düren. There should be a joint American-German ceremony to dedicate this monument. And the Germans should mark the trails to some of the key sites of battle, such as the monastery ruins at Schwarzborn.

During our three weeks in the forest we advanced about three miles and had more than 4,000 casualties, more than 400 of whom were killed. Most casualties were suffered by the rifle companies, which made up about a third of

Then at least those veterans who revisit the Hurtgen Forest next year will know that they and their comrades who fell there are not entirely forgotten.

International Herald Tribune.

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Handwritten note: 07/1/1993

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month	High	Low	Open	Close	Volume	Low	High	Open	Close	Volume
IBM	110.00	108.00	109.00	109.00	1,200,000	108.00	110.00	109.00	109.00	1,200,000
Microsoft	35.00	34.00	34.50	34.50	800,000	34.00	35.00	34.50	34.50	800,000
Apple	45.00	44.00	44.50	44.50	600,000	44.00	45.00	44.50	44.50	600,000
Oracle	25.00	24.00	24.50	24.50	400,000	24.00	25.00	24.50	24.50	400,000
Lucent	15.00	14.50	14.75	14.75	300,000	14.50	15.00	14.75	14.75	300,000
Motorola	10.00	9.50	9.75	9.75	200,000	9.50	10.00	9.75	9.75	200,000
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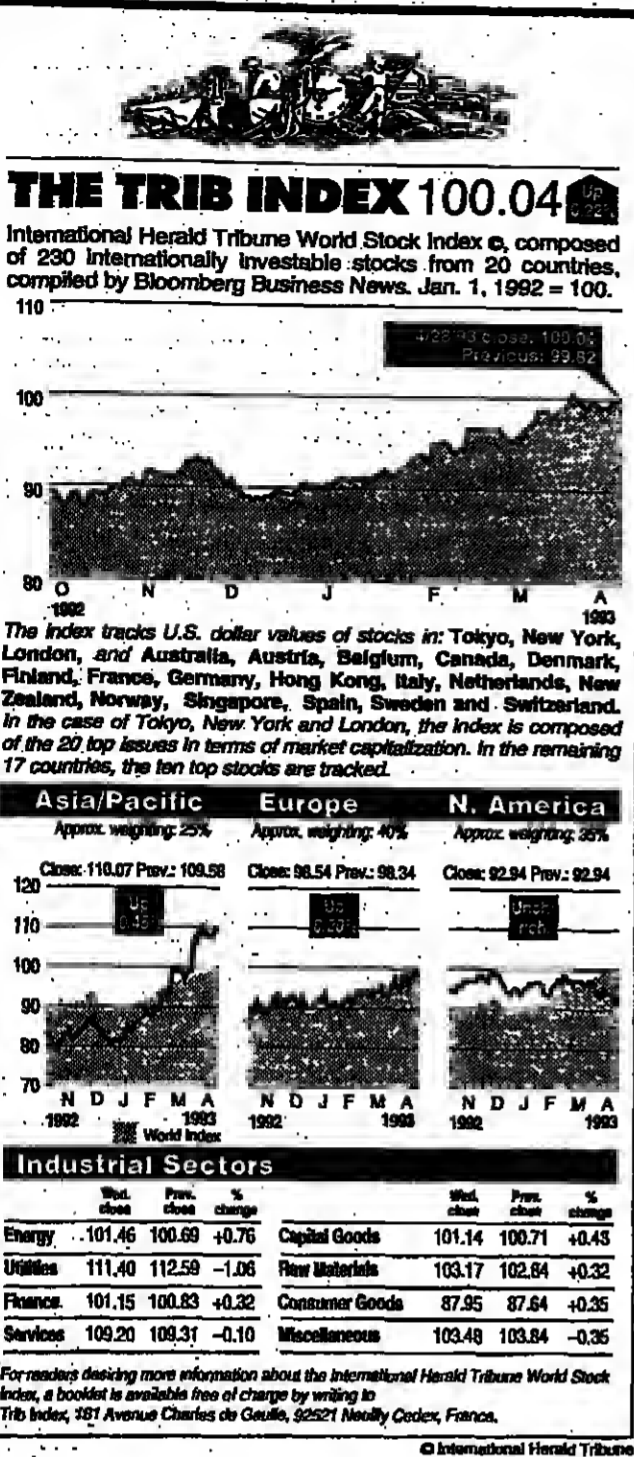
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APRIL 29 1993

BUSINESS

International Herald Tribune, Thursday, April 29, 1993

Page 11



Diaper Wars Go Global Leader P&G Challenged by Asian Rivals

Bloomberg Business News
TOKYO — Not long ago, Procter & Gamble Co. watched the money roll into its Cincinnati headquarters thanks to the consumer products company's dominance of the lucrative business of swaddling babies' bottoms. P&G pioneered the disposable diaper market in the late 1970s. And for years the business was a cash-spinner.

No more. Today, P&G finds itself in a global shootout for market share in the \$5 billion-plus disposable diaper market. And two of its most formidable rivals are Japan's Uni-Charm Corp. and Hong Kong-based DSG International Ltd.

These two Asian companies are making trouble for P&G's once-dominant diaper business in different ways. Uni-Charm has overtaken P&G in Japan's \$1.5 billion market with its offering of pricey super-absorbent diapers.

"We draw our strength from high-value added products," said a company spokesman.

Indeed, Uni-Charm is giving P&G fits throughout Asia and basking heads with the colossus in emerging markets.

Meanwhile, DSG International, a private-label diaper maker, has given P&G trouble with its affordable, no-frills diapers. DSG and other private-label rivals are grabbing market share from P&G in the United States and have forced the U.S. company to lower its prices on its Pampers and Luvs lines three times during the last 10 months.

A lot is at stake for P&G. Roughly 16 percent of P&G's \$29 billion in worldwide sales come from selling disposable diapers. With markets such as the United States and Japan already mature, diaper makers are looking around the globe for new toddlers to wrap.

Take the Gulf, where P&G enjoys a 90 percent share of the \$263 million market for disposable diapers in Saudi Arabia, Kuwait, Bahrain, Qatar the United Arab Emirates and Oman.

P&G can hardly rest easy in these desert monarchies. Next month, Uni-Charm will start selling "Ultra Moomie" diapers in the region. It has teamed up with Masanori Group, a Saudi Arabia conglomerate, to distribute and market the diapers in the Gulf.

Masanori has set up a company called Gulf Hygienic Industries in the country to produce paper diapers under a licensing agreement with Uni-Charm.

The company would not say how much in the way of license fees it expects to earn from the deal. But sales are likely to be brisk in the area thanks to the relative scarcity of water to wash regular cloth diapers.

Fights like this are nothing new. P&G is finding life more difficult on its home turf, and in mid-April it took the painful step of cutting its diaper prices by up to 16 percent.

It had little choice. During the recent U.S. recession, American families started turning to cheaper private-label brands from DSG International.

The Hong Kong company's U.S. sales were up about 23 percent in the past year. DSG and other private-label makers now have 10 percent of the American market.

To be sure, P&G still has more than 50 percent of the business. But the wave of price-cutting hitting the market seems sure to squeeze P&G's profit margins for months to come.

In Japan's \$1.5 billion diaper market, meanwhile, Uni-Charm has been slugging it out with P&G for more than 10 years now.

Much like its royal position in the Middle East, P&G was No. 1 in Japan after it first introduced its Pampers brand in 1977. Four years later, Uni-Charm rolled out its own line of premium-priced diapers.

They were priced as much as 30 percent more than P&G's, but they also contained a polymer, or chemical, that could absorb

P&G is in a global shootout for share of the \$5 billion-plus disposable diaper market.

EC Proposal Would End Phone Monopolies by '98 Technology Makes Commission Rejects German Steel Aid

Compiled by Our Staff From Dispatches
Reuters
BRUSSELS — The EC Commission put forward proposals on Wednesday to end state monopolies in the telephone sector by 1998.

The commission will ask EC telecommunications ministers to adopt its proposals at a meeting on May 10.

The European Community's telecommunications sector is worth more than 100 billion Ecu (\$124 billion) in services and 30 billion Ecu a year in services, the commission said.

Commissioner Martin Bangemann, who is responsible for telecommunications, told a news conference that liberalization had become inevitable. "Given technological developments, monopolies are now irrelevant," Mr. Bangemann said.

So far, though, Britain is the only EC country where the body responsible for installing phones and running the service has been forced to make room for a competitor. British Telecom has been competing with Mercury Communications since the 1980s.

Until now, transmission of phone calls, both domestic and international, was the only area of the telecommunications industry where the commission had scrupulously avoided a policy of deregulation.

But last year it started talks with telecommunications users, phone companies and equipment makers, using as justification a report showing that telephone calls could cost two to three times more for the same distance if they were cross-border.

The Commission solicited views from companies including American Telephone & Telegraph Corp., Cable & Wireless PLC, International Business Machines Corp., Gaz de France, Alcatel NV, Digital Equipment Corp., LM Ericsson AB, Northern Telecom Europe, Philips NV and Siemens AG.

The commission said the 1998 deadline will give companies and regulators enough time to rebalance tariff structures during the preparatory period.

Though business users and new suppliers had wanted liberalization before 1998, the commission said its consultations showed that an adjustment period was required and the five years to 1998 was about right.

The Commission's plan calls for a phased-in introduction of competition in the voice telephony sector. Mr. Bangemann said if some countries in the peripheral regions of the Community were unable to meet the 1998 deadline, they could be given "another year or two" to adjust.

During the transition period member states will be expected to adapt their tariffs and rate structures. Mr. Bangemann said there is still a huge difference in prices charged for local calls and for international charges.

"We need to establish an effective system at a reasonable price," he said.

The EC competition commissioner, Karel Van Miert, who also attended the press conference, said overall prices would come down if there is more competition.

Mr. Bangemann also said that the Commission would soon produce another paper on whether development of phone-line networks should also be dealt with under a free-market system.

(Bloomberg, AP, Reuters)

BRUSSELS — The EC Commission, in new steps to control excess steel capacity, announced a \$295 million plan on Wednesday to cushion up to 60,000 job losses and rejected state aids to an East German steelmaker that it said would have contributed to the glut.

The European Community executive body said it was opposing German plans to provide 997 million Ecu (\$1.2 billion) in state aid to ailing steelmaker Eko Stahl.

Despite last-minute appeals from Economy Minister Günter Rexrodt, the commission said in a statement it had no plans to ask EC ministers to approve the aid.

"These investments in hot-rolled steel cannot be approved by us because of the enormous overcapacity," the competition commissioner, Karel Van Miert, told a news conference.

The Commission also said that it had formalized an initiative to provide 240 million Ecu over three years, to be matched by national governments, to help pay for early retirement, redeployment and unemployment schemes for 50,000 to 60,000 steelworkers.

Additional funds would be available for up to 11,000 workers under the EC's Social Fund, the social affairs commissioner, Pedroja Flynn, said. The money would be conditional on steel companies making capacity cuts sought by the EC, he said.

The plan will be discussed by EC industry ministers next week.

Funds for social costs and control of state aids are two prongs of the Commission's strategy for helping the steel industry to restructure.

A third prong, the Commission's decision to publish quarterly steel production and delivery guidelines, has already helped boost steel prices by 10 percent, Industry Commissioner Martin Bangemann said.

He said the EC would schedule a special meeting of industry ministers in July to discuss steel state aid cases. Italy and Spain have both asked the EC to approve subsidies for their state-owned steel companies.

Germany has lobbied hard against that aid while arguing that Eko deserved one-time aid to help it transform itself in order to compete in Western markets.

Mr. Van Miert said Italy was planning to submit a new restructuring plan by the end of the week that would include substantial capacity reductions.

EC Asks for GATT Help
A GATT watchdog committee on accepted Wednesday a European Community request to arrange conciliation talks on U.S. punitive duties applied to some EC steel exports, a spokesman for the world trade body said, Reuters reported from Geneva.

The EC request, which followed unsuccessful bilateral talks to resolve the trans-Atlantic dispute, is the next step toward setting up a formal dispute panel of the General Agreement on Tariffs and Trade to rule on the disagreement, delegates said.

Six member states of the 12-nation Community are affected by the U.S. countervailing tariffs announced in November and January in retaliation for alleged foreign subsidies.

The duties, which hit other countries' steel as well, have virtually closed off the U.S. market to imports, delegates said.

Miracle Man Leaves Kodak Finance Chief's Unexpected Resignation Pummels Stock

Compiled by Our Staff From Dispatches
ROCHESTER, New York — Eastman Kodak Co.'s stock tumbled Wednesday after the company announced the resignation of its new chief financial officer, Christopher J. Steffen, of whom the market had expected great things.

The world's largest photographic film company also reported a \$1.88 billion first-quarter loss, primarily due to accounting changes.

By late afternoon, Kodak was down a sharp \$5.375 a share, at \$47, on the New York Stock Exchange.

When the company announced Mr. Steffen's firing Jan. 11, its stock jumped \$3.25 to \$45. Since then, the stock had risen to a high of \$56.50 before closing at \$52.375 on Tuesday.

Mr. Steffen quit because of disagreements on how to improve financial performance, the company said. He left "not because we disagreed on what needs to change, but because we could not agree on the process for making that change happen," said Kodak's chairman, Kay R. Whitmore.

Kodak hired Mr. Steffen to help the company reduce costs and possibly sell off its marginal businesses, such as chemicals or information systems. The company has been trying to rebound since it lost its virtual monopoly in consumer photographic film, and its acquisition of Sterling Drug in 1988 for \$5.1 billion.

Mr. Steffen's departure is "a disaster for shareholders," said B. Alex Henderson of Prudential Securities.

"I think the only reason the stock isn't off significantly more is some investors are betting the departure will be a catalyst to unseat management," he said.

Instead of using Mr. Steffen's ideas, Kodak's management will form a committee of outside directors and hired investment bankers to study alternatives to "work with the company on ways to more quickly reduce debt and increase shareholder value."

Before coming to Kodak, Mr. Steffen had spent three years leading a turnaround effort at Honeywell Inc. Prior to that, Mr. Steffen spent eight years at Chrysler Corp. as vice president and controller, helping the automaker achieve one of its many comebacks.

Some analysts see Mr. Steffen, 51, continuing his career at International Business Machines Corp. IBM has initiated its own turnaround effort and hired the former RJR Nabisco chief, Louis V. Gerstner Jr., as chairman and chief executive.

(AP, Bloomberg)

INTERNATIONAL MANAGER

Making the Twain Meet In German Workplaces

By Ann Brocklehurst
Special to the Herald Tribune

BERLIN — As if it were not bad enough that West German managers often have to cope with a reputation for arrogance abroad, they also have to deal with a bad name inside the country, in Eastern Germany. It does not matter whether a newly arrived Westerner actually did call his Eastern employees together to show them his car and ask whether they had ever seen a Volkswagen. The point is that many Easterners find the much-quoted story plausible.

Wessis, as they are known, are accused of ignoring the qualifications and experience of East Germans, patronizing them, and treating them as lazy and grasping Ossis who want to reap the benefits of a market economy without paying the price of hard work. The ultimate insult leveled at the Westerners is that they are "colonizers in their own land."

According to Germanus Pause, co-director of Brandenburg State Development Corp., the job to be done in rebuilding Eastern Germany is "not unlike the task required of top managers in Third World development projects.

"But everyone is under the illusion that because they speak the same language they can just transplant from one field to the next," he said.

"And you just can't."

Mr. Pause, a West German with 25 years of experience in the Australian civil service, returned to work in East German government almost two years ago. He believes that the stereotype of the arrogant West German applies in about half the cases. In others, he says, West Germans are simply making mistakes because they are working in a situation that has never been dealt with on this scale anywhere before.

"There are managers who are well meaning and willing to learn and some have," he said.

One of the biggest problems faced by Westerners taking over Eastern operations was how to deal with the hundreds and thousands of layoffs required in the most socially humane way possible. In companies where unattractive outsiders laid people off without consultation, the atmosphere remains poisoned. But even in cases where the unions and workers were consulted as much as possible, large-scale layoffs still left something of a bad taste.

On top of that, the new Western bosses often expected the remaining employees to work longer hours and take more responsibility. Sometimes used to leaving the office at four on the dot mostly had no choice other than to work late or find another job.

The East and West German partners at Bediner Strickmoden GmbH, a small East Berlin knitwear concern fighting to survive, have

"Wessi" bosses aren't always appreciated by the 'Ossis.'

See WESSI, Page 13

Airlines Are Pulling Out of Tailspin

By Lawrence Malkin
International Herald Tribune

PHOENIX — The world's airlines have nearly completed a historic shakeout and are starting to build a new and more stable international structure for their industry, confounding government officials who feared that it was in an uncontrollable tailspin.

The most decisive development reported by the industry's leading analysts and representatives of major airlines at an international symposium here this past week was the unexpected emergence of the U.S. airline industry from a black hole of losses.

The U.S. carriers accounted for almost all of the astounding \$10 billion lost by the world airline industry during the past three years as it flew into recession with the huge overcapacity it amassed during the 1980s.

The improved outlook for carriers, if not passengers, is based largely on a squeeze between rising traffic and a growing shortage of jets because of aging fleets. As a result, airlines will likely have an easier time maintaining steady or higher prices over the next two years.

Stiffer antitrust enforcement in the United States also will play a role in returning the industry to what Edmund S. Greenleaf of ESG Services, an industry newsletter, called "the rules of the game in American business, where you nomenclatured outlook for Asia, where annual growth of 7 percent or better was forecast to accompany the commercial boom gathering force in China and the Asian tigers on its borders. Seven of the world's 10 most profitable airlines are in Asia.

The outlook for Europe was less cause the Community was still too far from speaking with one voice and the rest of the world's politicians were too concerned with the health of their domestic carriers, not least the United States, where a commission is drafting reforms.

The more likely arrangement was one described by W. Thomas Lagow, marketing chief of America Air West, one of the successful new U.S. low-cost, no-frills niche airlines. He spoke of a collection of "successful, domestic, stand-alone networks" scooping up passengers from hubs in each of the three main marketing areas of the United States, Asia and Europe, and funneling them to another.

In Europe, said Frank Beckman, who has just retired as Lufthansa's board member for marketing, the industry will probably shake down into three main carriers — British Airways, Air France, and Lufthansa.

Mr. Beckman was speaking at a House of Representatives appropriations subcommittee hearing on funding for multilateral lending institutions. He is also chairman of the foreign operations subcommittee, which must approve U.S. funding for the EBRD.

As traffic rises, a shortage of planes is developing, underpinning prices.

don't try to kill your opponent and monopolize the business." Airlines have already been reined in by government threats to prosecute predatory pricing after Northwest Airlines' attempt to undercut a small carrier operating out of Nevada.

John Ash of Global Aviation Associates in Washington, who organized the meeting, said he was both surprised and encouraged by the predictions, which he believed would hold true as long as the cyclical U.S. traffic increases this year did not prove to be a false dawn. But equally significant was the

CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits									
Currency	Per \$	Per £	Per DM	Per ¥	Per SFr	Per HK\$	Per N¥	Per Rp	Per ₩	Per ₪	1 month	3 months	6 months	1 year	1 month	3 months	6 months	1 year	
Australia	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Canada	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Denmark	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
France	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Germany	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Italy	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Japan	136	136	136	136	136	136	136	136	136	136	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Netherlands	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Spain	166	166	166	166	166	166	166	166	166	166	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Sweden	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Switzerland	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
Taiwan	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
UK	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	
US	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	

U.S. to Deny '93 Funding For EBRD

AFP-Excl News
WASHINGTON — Congress will not approve funds for the European Bank for Reconstruction and Development this year, David Obey, chairman of the Congressional Joint Economic Committee, said on Wednesday.

"We are not in a position to fund a bank that is recklessly arrogant in the use of funds," he said. He said the EBRD is "cash rich," with \$4.5 billion available to it for lending. He said a cut-off in this year's contribution from the U.S. "won't be doing any substantive damage."

Mr. Obey was speaking at a House of Representatives appropriations subcommittee hearing on funding for multilateral lending institutions. He is also chairman of the foreign operations subcommittee, which must approve U.S. funding for the EBRD.

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See AIRLINES, Page 16

Page 12 MARKET DIARY

Blue Chips Suffer From Kodak Fall

NEW YORK — Blue-chip stocks edged lower Wednesday, pressured by a fall in Kodak, but smaller issues rose. The Dow Jones industrial average lost 2.43 points, to 3,413.50, while gainers outnumbered losers on the N.Y. Stocks New York Stock Exchange by a small margin. While large-capitalization stocks had a mediocre day, the Nasdaq over-the-counter index was up a strong 5.64, to 658.16, while the American Stock Exchange index gained 1.12, to 416.76. The over-the-counter issues were boosted by gains in software and semiconductor stocks. Bank shares also advanced. Much of the fall in the Dow was caused by Kodak, which slid after its chief financial officer unexpectedly resigned. It was the most-active New York Stock Exchange issue, down 5 to 47 1/2. A sharp rise in Chevron partly cushioned the blow to the Dow. Chevron was sharply higher after rating upgrades from Smith Barney and Prudential Securities, which felt the leading U.S. oil refiner had strongly benefited from cost-cutting moves. Chevron gained 3 1/2 to 85. The stock market was troubled by continuing weakness in bond prices. The bellwether 30-year Treasury bond, which almost 1 point on Tuesday, was down 7/32 on Wednesday to 102 19/32. The issue's yield edged up to 6.92 percent from 6.90 percent. Telefonos de Mexico was the second most active Big Board issue, down 3 1/2 to 47 1/2. After the market closed Tuesday, the company said first-quarter earnings fell 4.3 percent from the year-ago period. Royal Oak led the American Stock Exchange actives, up 3/16 to 4 1/16, reflecting a modest gold price increase. General Motors was up 1 1/2 to 42 1/2. Ford, which rose 1 1/2 to 54 1/2, reported higher earnings, and chairman of the Big Three carmakers met with government officials to discuss important issues for the auto industry. Chrysler rose 1 1/2 to 41. Tele-Communications was up 1/4 to 19 1/4. It said it would pay \$10 million for a 15 percent stake in Interactive Network Inc., a California company that plans to home entertainment services such as home shopping and pay-per-view movies occasionally this autumn. Interactive fell 3/4 to 9 1/2 after an NTN Communications sued each other over an interactive home football game. NTN was the second-most active issue on the American exchange, up 1/4 to 10 1/4. (UPI, Bloomberg)

NEW YORK — The dollar rose slightly Wednesday against most major foreign currencies after Germany's central bank slashed money-market interest rates. The Bundesbank's latest open-market operation surprised even the most optimistic market forecasts, and analysts said it showed the central bank has increased the aggressiveness of its recent rate cuts. But traders said activity slowed ahead of Thursday's Group of Seven finance officials meeting, as well as in advance of the U.S. government's release of reports on first-quarter gross domestic product, jobless claims and new-home sales. Forecasters expect gross domestic product to expand at a 2.3 percent annualized pace in the first quarter, confirming a steady but lackluster economic climate. As for the G-7 session, Carl B. Weinberg, chief economist for High Frequency Economics, predicted, "Everyone will emerge smiling from the G-7 meeting. We have been promised a communiqué, Japan will be urged to sign on the

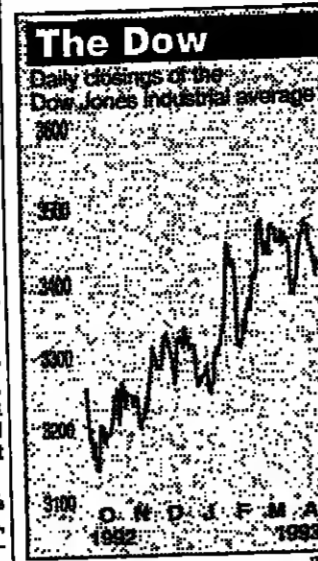


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active stocks like Kodak, General Motors, Ford, etc.

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Table: Dow Jones Averages. Columns: Date, High, Low, Last, Chg.

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Table: NYSE Indexes. Columns: High, Low, Close, Chg.

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Table: Financial. Columns: High, Low, Close, Chg.

Table: Industrial. Columns: High, Low, Close, Chg.

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Table: Dividends. Columns: Company, Per. Ann. Div., Ex. Date.

Table: STOCK SPLIT. Columns: Company, Split Ratio.

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Table: COPPER (COMEX). Columns: Bid, Ask, Prev.

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U.S. / AT THE CLOSE

Salomon Worried About Losing White Nights Stake

WASHINGTON (Reuters) — Salomon Inc. said Wednesday its Russian partner in a Western Siberian oil-production project is trying to appropriate its 45 percent interest in the venture. Salomon, through its Fibro Energy Production Inc. subsidiary, said it had invested more than \$115 million in the White Nights venture, the largest Western investment in Russia's oil and gas industry. In letters to Secretary of State Warren Christopher and Treasury Secretary Lloyd Bentsen, Salomon said its partner, Varyannetgaz, issued orders to appropriate Salomon's stake. The Russian partner acted after receiving loan commitments of \$170 million from the World Bank and \$110 million from the Ex-Im Bank. Salomon's chairman, Robert Denham, wrote the bank loans have "em-boldened Varyannetgaz to attempt to steal from us our ownership in a project for which we have provided all the capital investment as well as a great deal of technical expertise."

Tambrands Stock Slides as Sales Slip

NEW YORK (Knight-Ridder) — Tambrands Inc. stock was battered Wednesday as the company posted a large drop in sales. The stock fell \$5.875 to \$45.25. On Tuesday, the company said first-quarter sales fell to \$154.3 million, down from \$174.9 million a year earlier, despite a 14 percent rise in earnings. Lynne Hyman, an analyst with First Boston Corp., said sales were down 9 percent in Europe and down 5 percent in the U.S. in March. Tambrands told analysts that volume would be flat to off about 1 percent. The magnitude of the decline, compared to what the company's forecast, "shows that the company doesn't have a clue as to what's going on," Mrs. Hyman said. The stock has posted losses since late March, when analysts began citing concerns that competitive pressures would constrict Tambrands' growth rate.

Microsoft European Sales Up 35%

PARIS (Bloomberg) — Microsoft Corp.'s sales in Europe rose 35 percent during the first nine months of its current financial year, the chairman, William Gates, said at a news conference Wednesday. Mr. Gates declined to forecast growth figures for the full financial year, which ends June 30. Microsoft's global sales during the first nine months rose 40 percent, to \$2.7 billion. European sales accounted for about 30 percent of revenue in the previous year.

Rail Plan to Target Low-Tech Work

WASHINGTON (Bloomberg) — President Bill Clinton announced Wednesday a financing plan for high-speed rail projects that encourages states to rebuild existing track for passenger service. Track upgrades would allow passenger trains to raise their top speeds to about 125 miles (202 kilometers) per hour from about 80.

White House Confirms Levitt for SEC

WASHINGTON (Bloomberg) — Arthur Levitt Jr., former American Stock Exchange chairman, was chosen by President Bill Clinton to be chairman of the Securities and Exchange Commission, a White House official said Wednesday.

For the Record

The Washington Post Co. reported sharply higher first-quarter earnings, due to the improving performance of its operating divisions and a one-time accounting credit. First-quarter income was \$40.1 million, more than double the \$19.7 million it earned in the first quarter of 1992. Revenue increased 10 percent, to \$361.7 million from \$329.1 million. International Business Machines Corp. said Jack Kuehler, the vice chairman, is retiring, effective August 31. Mr. Kuehler joined IBM 57 years ago as an engineer.

German Rate Cut Gives Small Boost to Dollar

NEW YORK — The dollar rose slightly Wednesday against most major foreign currencies after Germany's central bank slashed money-market interest rates. The Bundesbank's latest open-market operation surprised even the most optimistic market forecasts, and analysts said it showed the central bank has increased the aggressiveness of its recent rate cuts. But traders said activity slowed ahead of Thursday's Group of Seven finance officials meeting, as well as in advance of the U.S. government's release of reports on first-quarter gross domestic product, jobless claims and new-home sales. Forecasters expect gross domestic product to expand at a 2.3 percent annualized pace in the first quarter, confirming a steady but lackluster economic climate. As for the G-7 session, Carl B. Weinberg, chief economist for High Frequency Economics, predicted, "Everyone will emerge smiling from the G-7 meeting. We have been promised a communiqué, Japan will be urged to sign on the

Silver Dazzles in New Surge

NEW YORK — Silver kept up its bull run on Wednesday, as the futures contract gained 9.2 cents to close at \$4.179 an ounce on the New York Commodity Exchange. Comex silver reached a session high of \$4.195, the highest price for a near-term contract since February 1992. U.S. investment fund buying has fueled silver's surge from near 19-year lows among precious metals, but on Wednesday gold led the way, marking to a nine-month session high of \$350.10 on the June contract after interest rate cuts spread in Europe. In London, silver has risen 16 percent since early March, while gold has gone up only 8 percent.

WORLD STOCK MARKETS

Table: WORLD STOCK MARKETS. Columns: Market, High, Low, Last, Chg.

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Table: U.S. FUTURES. Columns: Season, High, Low, Open, High, Low, Close, Chg.

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Discounters Bite Into U.K. Food Profits

Chains, With Own Labels, Luring Supermarket Shoppers

LONDON — Discount food retailers are taking a large bite out of the conventional grocers' market share in Britain.

Discount food chains — some new, some old, some British-based, some with foreign financing — are beginning to frighten Britain's leading supermarket chains, like Sainsbury, Tesco, Asda and Safeway.

"The demand for cheap food hasn't been satisfied," said Neil Currie, a food-retailing analyst at Credit Lyonnais Laing in London. "Customers will make a choice between price, quality, product range and surroundings."

The oldest and most successful of Britain's discount food retailers, Kwik Save Group, is expected to report a leap in pretax profit in its first-half earnings to be released Thursday. Nikko Securities Co. has forecast Kwik Save will report pretax profits of £61.5 million (£92.25 million), and a dividend of 5.5 pence per share, compared with £51.2 million, and a 4.7 pence dividend, in the first half of 1992. Goldman, Sachs & Co. is projecting a pretax profit of £62 million, with a 5.4 pence dividend, while Baring Securities is forecasting £60 million and a 5.25 pence dividend. Other discounters cutting into the supermarkets' British market include Aldi, Netto, Argyl Group's Lo Cost, Dales and Gateway's Food Giant.

Sales by discount food stores in Britain totaled £3.6 billion in 1992, or nearly 8 percent of the £46 billion spent on food at retail

level, according to Philip Dorgan, an analyst at Goldman Sachs in London.

The discounters' share should double within the next three or four years, said another food-retailing analyst, Rowan Morgan of Nikko Securities.

U.S. warehouse stores and Continental discount retailers are able to cut prices to consumers because their costs are lower. Even though land and building costs are higher in

Discounters' share of the market should double within four years.

Rowan Morgan, Nikko Securities.

Britain, these discounters can still keep their prices low because they have fewer employees.

Rewe, a German food retailer, last week bought a 26 percent stake in Budgens, a small British food retailing chain. Moreover, the U.S. warehouse Costco is reported to be planning to introduce stores in Britain. Costco was not available for comment.

Although the discounters offer only about 800 product lines, compared with the 12,000 or more available in the large supermarkets, the discount chains are luring shoppers by offer-

ing lower prices on their limited range of products, which include their own labels and branded goods.

Some of the chains, like Kwik Save, specialize in cutting prices on leading brands. Others, notably Aldi and Netto, tend to offer less popular brands at even lower prices.

British supermarkets have higher profit margins, between 6 and 8 percent, than their Continental or U.S. counterparts, whose margins are around 2 percent. The discount food stores have average margins of 2 to 3 percent on the products they offer.

Until recently, food retailing in Britain has been dominated by a handful of major supermarket chains. But the economic recession has pushed customers to shop around for cheaper food.

"In the heyday of the 1980s, customers weren't concerned with the price of food, but now attitudes to price have changed permanently," Mr. Currie, the Credit Lyonnais analyst, said.

Kwik Save, which was established in the 1960s, was until recently the only discount food retailer with stores around Britain. In recent years, it has begun to move beyond low-price merchandise and is beginning to offer higher-price, higher-margin products. While the strategy has paid off so far, it carries risks.

"Kwik Save is now vulnerable as it has moved into the middle ground," Mr. Currie said. "Now it has to keep its place there or cut prices and go down market."

Total Sells Stock To New Allies

PARIS — The French oil company Total SA, concerned that its stock was too dispersed as the result of privatization, said Wednesday that it is issuing 4.07 billion francs (\$759 million) worth of shares to three French industrial partners.

Under the deal, a total of 7 percent of Total's expanded share capital will be held by the state-controlled nuclear fuels concern Cogema, the privatized bank Société Générale and the water and construction group Lyonnaise des Eaux-Dumez.

The executive said this new core of stable shareholders could open up to other partners, "particularly European."

When the new group holds a 12 to 15 percent stake, "we will be happy," he said.

Total shares dropped 4.20 francs Wednesday, closing at 265.10.

The subscription price for the capital increase will be fixed at 106 percent of the average opening prices of Total shares in the 20 sessions on the Paris Bourse preceding a special meeting of shareholders on June 2.

A minimum price of 260 francs has been fixed, putting the maximum number of shares to be issued at 15.7 million.

Cogema will invest 2.52 billion francs for its 4 percent share; Société Générale will invest 1 billion francs for its 2 percent stake and Lyonnaise des Eaux will buy its 1 percent share for about 550 million francs.

(Reuters, Bloomberg)

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
1600	3000	2100		
1700	2800	2000		
1800	2600	1900		
1900	2400	1800		
2000	2200	1700		
2100	2000	1600		
2200	1800	1500		
2300	1600	1400		
2400	1400	1300		
2500	1200	1200		
2600	1000	1100		
2700	800	1000		
2800	600	900		
2900	400	800		
3000	200	700		
1992	1992	1992		
1993	1993	1993		
Exchange	Index	Wednesday Close	Prev. Close	
Amsterdam	CBS Trend	108.90	108.70	+0.19
Brussels	Stock Index	6,098.67	6,105.32	-0.09
Frankfurt	DAX	1,828.67	1,840.78	-0.73
Frankfurt	FAZ	842.84	850.81	-1.21
Helsinki	HEX	1,151.62	1,155.88	-0.35
London	Financial Times 30	2,208.40	2,231.80	-1.04
London	FTSE 100	2,797.80	2,832.70	-1.26
Madrid	General Index	244.10	243.70	+0.16
Milan	MIB	1,205.00	1,206.00	-0.08
Paris	CAC 40	1,942.51	1,927.41	+0.78
Stockholm	Affarsvaeriden	1,231.34	1,226.05	+0.43
Vienna	Stock Index	361.00	361.31	-0.36
Zurich	SSS	732.80	729.40	+0.48

Very briefly:

- Canary Wharf, the troubled London office project, got a tentative agreement from bankers to supply £200 million (\$314 million) so that work on the building complex can move forward. The banks hope within a few months to bring the project out from under the control of a court-appointed administrator and run it themselves.
- Robert Bosch GmbH appointed Hermann Scholl, a managing board member, will succeed Marcus Bieri as chief executive on July 1. No reason was given for the switch, but it followed speculation that Mr. Bieri would step down after a slump in group operating profit last year.
- Lufthansa AG said its operating loss widened last year to 1.2 billion Deutsche marks (\$755 million) from a 700 million DM loss in 1991. After taxes, the company said in an internal newsletter, the loss should be 380 million DM, compared with 444 million DM a year earlier.
- George Walker, former chief of the leisure and property company Brent Walker, was declared bankrupt with debts of £180 million, in Britain's third largest bankruptcy. He has the right to appeal.

Bayer Profit Declines

COLOGNE, Germany — Bayer AG said Wednesday that group pretax profit fell 21.2 percent to 640 million Deutsche marks (\$402 million), in the first quarter, from 812 million DM a year earlier.

No upturn is expected in the second quarter, Bayer said, citing poor demand, price pressure and the devaluation of currencies in the European Monetary System. Overall, Bayer's full-year results will not equal last year's level, the company said. Last year's group pretax profit was 2.7 billion DM, a 16 percent drop from 1991.

WESSI: The Commuter Boss Blues Play in Germany

(Continued from first finance page)

avoided many typical East-West difficulties by putting the Easterner Klaus Domanauer in charge of personnel and production while Bernhard Deblon, a West German, looks after sales and marketing.

Mr. Deblon, who bought into the company shortly after it was privatized in 1990 and is also the owner of a textile and clothing business in the Ruhr Valley, makes a point of not trying to "bring West German conditions over here."

And while Mr. Domanauer concedes that he is not always in agreement with the low prices his partner sets as he tries to carve out a market for their sweaters, their differences of opinion usually lead to fruitful discussions. "He listens to us," Mr. Domanauer says. Siemens AG, one of the largest employers and

private investors in Eastern Germany, is trying to replace as many of the West German managers it sent east as quickly as possible. These temporary commuter bosses, often receiving bonuses for working under what are considered hardship conditions of the East and rushing to spend weekends in the wealthy West, seem to rub the locals the wrong way no matter how effective they may be in their actual jobs.

Erich Gerard, until recently the director of Siemens' operations in Eastern Germany, said it was the company's goal to have East German managers there, with the exception of West Germans who are prepared to take their families and move east. "It's quite a task to find enough young East Germans in the company and develop them soon because we need them," he said.

This Time Around, G-7 Will Tackle Problems Arising Close to Home

WASHINGTON — Finance ministers of the major industrialized countries face a difficult task when they meet here Thursday if they are to find a way to maintain recovery and avoid the slide back into recession.

The problem of aid to Russia, which has been a focus of G-7 attention since the last G-7 summit in Munich in September, has now essentially been resolved as a result of a special meeting devoted to the issue in Tokyo a few weeks ago, and President Boris N. Yeltsin's success in Sunday's referendum.

But the finance ministers and central bank governors of Britain, Canada, France, Germany, Italy, Japan and the United States now face a challenge on their own doorsteps.

The U.S. recovery remains hesitant, Japan's economic stimulus package has yet to prove itself and the shadow of recession hangs over Europe.

This means that the G-7 ministers will be turning their attention to their traditional concerns: the economic situation, coordination of their economic policies, and what is happening on the currency and capital markets.

The world economic recovery is still "hesitant and uneven" in the words of an International Monetary Fund report released Monday, despite recent efforts

by the industrialized countries, including reductions in German interest rates and pledges to reduce the U.S. budget deficit.

As Thursday's G-7 meeting approached, several members took measures aimed at impressing the markets. Germany on Wednesday announced a reduction in interest rates, while the United States responded to Japanese concerns over the rise of the yen by intervening on the markets Tuesday.

But more will be needed to restore investor and consumer confidence in the industrial countries.

In an effort to boost confidence, the U.S. Treasury secretary, Lloyd Bentsen, has already promised that the G-7 ministers will issue a communiqué at the end of Thursday's meeting.

The meeting comes at a time of uncertainty, with this week's IMF report saying it is now not even sure if the turning point in the world's economic troubles will come in the second half of this year, as earlier predicted. The U.S. recovery remains hesitant, Germany is expected to fall into recession this year and France can expect at best stagnation.

Things are beginning to look up for Japan following its recent announcement for the second time in a year of a major economic stimulus package, but Tokyo officials fear that the rapid rise of the yen could jeopardize the recovery.

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NASDAQ											
Wednesday's Prices											
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.											
12-Month High	12-Month Low	Stock	Div	Yld	PE	52	High	Low	Last	Chg	Vol
12.00	10.00	IBM	4.00	3.2	15	120	120	110	115	+5	100
100.00	80.00	Microsoft	0.00	0.0	15	100	100	90	95	+5	50
50.00	40.00	Apple	0.00	0.0	15	50	50	45	48	+3	20
20.00	15.00	Oracle	0.00	0.0	15	20	20	18	19	+1	10
15.00	12.00	Sun	0.00	0.0	15	15	15	14	14.5	+0.5	5
10.00	8.00	Lucent	0.00	0.0	15	10	10	9	9.5	+0.5	5
8.00	6.00	Motorola	0.00	0.0	15	8	8	7	7.5	+0.5	5
6.00	4.00	Intel	0.00	0.0	15	6	6	5	5.5	+0.5	5
4.00	3.00	AMD	0.00	0.0	15	4	4	3	3.5	+0.5	5
3.00	2.00	ATI	0.00	0.0	15	3	3	2	2.5	+0.5	5
2.00	1.50	3Com	0.00	0.0	15	2	2	1.5	1.8	+0.3	5
1.50	1.00	Perceptics	0.00	0.0	15	1.5	1.5	1.2	1.4	+0.2	5
1.00	0.75	Conquest	0.00	0.0	15	1.0	1.0	0.8	0.9	+0.1	5
0.75	0.50	NetScout	0.00	0.0	15	0.75	0.75	0.6	0.7	+0.1	5
0.50	0.30	NetScout	0.00	0.0	15	0.5	0.5	0.4	0.45	+0.05	5
0.30	0.20	NetScout	0.00	0.0	15	0.3	0.3	0.2	0.25	+0.05	5
0.20	0.15	NetScout	0.00	0.0	15	0.2	0.2	0.15	0.18	+0.03	5
0.15	0.10	NetScout	0.00	0.0	15	0.15	0.15	0.1	0.12	+0.02	5
0.10	0.05	NetScout	0.00	0.0	15	0.1	0.1	0.05	0.08	+0.03	5
0.05	0.02	NetScout	0.00	0.0	15	0.05	0.05	0.02	0.04	+0.02	5
0.02	0.01	NetScout	0.00	0.0	15	0.02	0.02	0.01	0.015	+0.005	5

NYSE

Wednesday's Closing
Table includes the nationwide price up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Change. Lists various NYSE stocks and their performance.

NYSE

Table includes the nationwide price up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Change. Lists various NYSE stocks and their performance.

NYSE

Table includes the nationwide price up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High/Low, Div, Yld, PE, High, Low, Last, Change. Lists various NYSE stocks and their performance.

NYSE High-Lows
Table listing high and low prices for various NYSE stocks.

AMEX High-Lows
Table listing high and low prices for various AMEX stocks.

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INTERNATIONAL FUNDS

April 28, 1993

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The marginal symbols indicate frequency of quotations: (d) - daily; (w) - weekly; (bi) - bi-monthly; (r) - regularly (1) - weekly; (m) - monthly.

Table listing various international funds with columns for fund name, share price, and other details.

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AS - Australian Dollar; AU - Austria; BE - Belgium; BF - Botswana; BG - Bulgaria; BR - Brazil; CA - Canada; CH - Switzerland; CL - Chile; CN - China; CZ - Czech Republic; DE - Germany; DK - Denmark; EC - Euro; EG - Egypt; ES - Spain; FI - Finland; FR - France; GB - Great Britain; GR - Greece; HK - Hong Kong; HU - Hungary; IL - Israel; IN - India; IT - Italy; JP - Japan; KR - Korea; LI - Liechtenstein; LU - Luxembourg; MA - Morocco; MX - Mexico; NL - Netherlands; NZ - New Zealand; NO - Norway; PL - Poland; PT - Portugal; SG - Singapore; SI - Slovenia; SK - Slovakia; TH - Thailand; TR - Turkey; TW - Taiwan; US - United States; ZA - South Africa; ZW - Zimbabwe.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

Handwritten note: "DPA in 1993"

U.S. Auto Sales Aid Ford Profit

Bloomberg Business News
DEARBORN, Michigan — Ford Motor Co. said Wednesday its first-quarter earnings more than doubled this year, compared with the similar 1992 period, boosted by rising U.S. auto sales and record earnings at its financial units.

Ford said it earned \$572 million, or \$1.02 a share, in the latest quarter. Industry analysts had been expecting Ford to earn between 40 cents and 60 cents a share, about \$270 million, for the first quarter.

The latest results are up from \$223 million, or 36 cents a share, in the year-earlier quarter, excluding effects of accounting changes. Ford's year-ago results were restated in late 1992 to show a net loss of \$6.66 billion, or \$13.85 a share, because of the adoption of a new accounting standard for health-care and retiree costs.

Worldwide revenue for the automaker rose to \$26.76 billion for the first three months of 1993, from \$24.56 billion.

"We are seeing continuing signs of a slow recovery in the United States," said Ford's chairman, Harold Poling. "Around the world, we are still grappling with weak economies, intense competition and excess

industry capacity, all of which make achievement of improved financial results more difficult."

Nonetheless, Mr. Poling said Ford's new products and cost-reduction efforts should allow the company to post better operating results in 1993 than in 1992. Ford earned \$176 million in its worldwide automotive operations for the quarter, compared with a loss of \$26 million in the year-earlier quarter, not including the cumulative effects of the accounting change.

Ford's U.S. operations earned \$113 million, compared with a loss of \$59 million a year ago, because of increased sales volume. Outside the U.S., Ford's automotive operations earned \$63 million, up from \$33 million, because of cost reductions.

Ford's automotive operations had \$9.28 billion in cash and marketable securities on hand as of March 31, down from \$9.78 billion a year before. Automotive debt, however, declined to \$8.11 billion from \$8.76 billion.

Ford's financial services group posted record first-quarter earnings of \$396 million, up from \$249 million, excluding accounting changes. The unit attributed the rise to narrower credit losses, higher volume and a gain on sales of receivables.

DIAPERS: P&G Challenged

(Continued from first finance page)
 plenty of liquid. Uni-Charm also started selling underwear-shaped diapers that children could slip into, and they were a hit with Japanese mothers.

Uni-Charm has since overtaken P&G as the market-leader in Japan. It now has 30 percent of the business, while P&G is No. 2 at 27 percent. A close third is Kao Corp., a leading household goods manufacturer.

Uni-Charm is getting the upper hand in other Asian markets. In South Korea and Taiwan, Uni-

Charm occupies 20-30 percent of the market, compared with P&G's 5 percent to 10 percent. A Uni-Charm executive said, P&G executives in Japan refused to reveal their market share figures.

What is more, Uni-Charm has set up manufacturing joint ventures in these countries, from which it has started exporting diapers into the Philippines and Hong Kong.

Count on these companies to bang heads in the emerging China market later this decade as well. Right now, however, disposable diapers are a pricey item for most Chinese families.

Continental Airlines Grasps Its Second Chance

By Adam Bryant
New York Times Service

NEW YORK — Continental Airlines has long had a knack for posting noteworthy figures, from turnover in the corner office — 10 leaders in 11 years — to the number of airlines in its family tree (five).

And Wednesday it announced a first for a major international airline: its second emergence from bankruptcy.

Continental's president and chief executive, Robert R. Ferguson 3d, said Tuesday that he was delighted after completing the deal with Continental's investors. "Now we are able to get back to running a regular airline," he said. "There will be one less carrier for our Big Three brethren to complain about," he said, referring to criticism of the advantages enjoyed by airlines in bankruptcy protection.

Inevitably, the move raises questions about whether this will be the carrier's last tour of the bankruptcy courts. Mr. Ferguson says he is confident but admits he is certain of only this: "It is clearly going to be my last tour."

Indeed, few industry specialists place the Houston-based Continental, the fifth-largest U.S. carrier, on the

endangered list. Its cash cushion of more than \$600 million should ensure at least a fragile livelihood, barring unexpected turbulence in air fares and fuel prices.

"There was never anything wrong with Continental that getting a better balance sheet and better management wouldn't help," said Kevin C. Murphy, Morgan Stanley & Co.'s airline analyst. "The core of Continental is a good airline."

While the airline's coming-out party is of greatest interest to its 41,000 relieved employees — whose pay was cut an average of 10 percent last year, half of which has been restored — the carrier's emergence has broader implications.

Continental's low cost structure — a result, in part, of having few unionized employees — gives it a distinct advantage over larger competitors. Continental's departure from bankruptcy is expected to increase its rivals' sense of urgency as they try to wring productivity gains from their employees.

Out of bankruptcy, Continental will also appear more attractive to foreign carriers eager to establish alliances with U.S. airlines. Air France is considered the most likely partner because of its ties with Air Canada, which has invested \$450 million in Continental along with Air Partners L.P.

Continental's emergence will also fuel the industry-wide debate over the merits of Chapter 11 protection.

"It's too early to tell whether the bankruptcy process is a success," said Daniel M. Kasper of Harbridge House, a management consulting firm in Boston. In roughly a year, he said, it will be time to ask: "Is Continental still operating? Have they been able to survive and prosper?"

Not surprisingly, Continental's managers and investors are confident that the answers will be yes. And they brandish a detailed strategy for thriving.

They project — optimistically in analysts' views — that from May to December, the carrier will earn \$38.5 million on revenue of \$4.2 billion. In contrast, for its most recent quarter, it reported a loss of \$109.5 million on revenue of \$1.4 billion.

Still, the market is in some ways more stable than it was when rising fuel costs and huge debts forced the carrier to file for bankruptcy in December 1990.

Perhaps the most daunting challenge for Continental is to improve its public image, particularly among business travelers who blanched at the poor service they received in the 1980s as the airline tried to absorb a hodgepodge of carriers: People Express, New York Air, Frontier Airlines and Texas International.

Thousands of bags were lost; at one time, they filled a warehouse in Buffalo, New York. Computer reservation systems sometimes deleted passenger itineraries. The bankruptcy filing drew attention to its ailments.

Continental calculates its poor reputation has cost it roughly \$400 million a year in lost business. Some travel agents' habit of discouraging travel on carriers in Chapter 11 cost Continental an additional \$100 million a year, it believes. "When all things are equal, we do not get the call," said John Nelson, Continental's executive vice president of marketing.

The airline hopes to get some bounce from an advertising campaign that begins later this week to trumpet its emergence from bankruptcy. And a longer-term plan calls for the airline to close the so-called performance gap by using service to create an edge over competitors.

Continental believes airlines underestimate the importance of passengers' experience immediately before and after takeoff, and it has increased airport staff by 10 percent, or roughly 1,000 workers, in the last 10 months. One of its aims is to reduce the wait at the baggage claim to no more than 15 minutes. It also plans to pamper chief executives of major companies at every step of their trip. To win over lower-level managers, Continental introduced Business First.

AIRLINES: Industry Is Pulling Out of Its Tailspin

(Continued from first finance page)

ansa — because they are the only ones with strong home markets and the essential international routes to capitalize on them via local hubs. [This week, however, a group of second-tier lines, SAS, KLM, Swissair and Austrian Airlines, announced that they were pursuing a merger that would put them ahead of those three carriers in size.]

A similar pattern is already emerging in Asia, where regulation is tighter and the major airline cities of Tokyo, Bangkok, Singapore and Hong Kong are developing into hubs with strong local carriers, all of them maneuvering for position in China as its air traffic booms.

ly ended a self-destructive orgy in which loss-leading fares were set "by the most desperate or the stupidest."

Another factor, he reported, is the end of a financing mania nurtured by Wall Street specialists including himself and based on the illusion that the prices for airplanes would never fall. He said: "Now the world has changed, aircraft have lost value and planes that used to lease for \$110,000 a month now go for \$45,000."

Two years ago, said Mr. Greenslet, the world's airline fleet had only 300 or 400 planes more than 25 years old. Today there are more than 1,100 such planes, he said, and two years from now there will be 2,500, or almost 20 percent of the world's fleet. But replacements will be at a premium because Airbus has a strategy of steady production of about 150 airplanes a year, and Boeing Co. has just scaled back production drastically.

"This means that there will be a shortage of seats and prices will go up a year or two from now," Mr. Greenslet said.

All this puts paid to the doomsday scenario of the U.S. administration, which is gearing up a policy to aid both sides of the industry by demanding greater landing rights abroad and attacking Airbus subsidies. There was no representative of the administration at the conference because aviation subsidies posts are still unfilled, but Democratic aviation specialists from Congressional committees attended and were frankly amazed by the optimistic forecasts for the industry.

Carol Carmody, Democratic counsel to the Senate Aviation Committee, said she would be delighted if the analysts proved correct "because it means we won't have to do anything."

In Scramble for London Route, Nashville Is Playing for Keeps

New York Times Service

Nashville, Tennessee, is going to unusual lengths to preserve its status as an airline crossroads.

That is the message of an agreement by the city to pay USAir \$5 million for a route between Charlotte, North Carolina, and London, move the American end to Nashville and let American Airlines operate the route.

Confused? So is American Airlines, which says it learned of Nashville's plan last weekend. "This has never been done before," Tim Smith, a spokesman, said. "We don't know how that works."

Neither, for that matter, does the Department of Transportation, which noted that only airlines can buy the rights to fly a route. Under the Nashville Airport Authority's deal, which is contingent on government approval, the city would not actually own the route.

Perhaps more interesting than whether the deal is ultimately approved is why it is being attempted.

The deal stems from USAir's recently approved alliance with British Airways, which calls for USAir to dispose of three routes to London, from Philadelphia, Baltimore and Charlotte. Most of the

major carriers have clamored for the routes, saying they should get the routes free and be permitted to move them to their hub airports.

Nashville, one of the cities threatened by the contraction of the airline industry, is fighting its own battle. As the major carriers look to reduce some of their costly operations, American Airlines is frowning on unprofitable hub operations at Nashville. It plans to shrink operations in the city, where it operates 127 daily flights and employs roughly 3,000 people.

Pointing to economic ripple effects, Nashville officials contend that moving the London route to Tennessee would inject an additional \$250 million annually into the state.

Industry analysts expect similar bidding efforts by other airport groups. In a sense, the airport officials are simply extending a long tradition of competing with other states for businesses.

"They're scrambling to maintain a competitive advantage," said Kenneth P. Quinn, counsel to the aviation practice of Mercer Management Consulting.

— ADAM BRYANT

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THE POLITICAL DIMENSION
 Changes and Opportunities in The World Order
 Anthony Esposito, Journalist and International Writer, London

WHAT IS THE FUTURE OF GLOBAL INVESTING?
 Global Asset Allocation Strategies of The Future
 Michaela Kellert, Senior Consultant, Investor

THE PENSION FUND PERSPECTIVE
 Peter Dennis, Deputy Executive Director, F.I.C.A. Pension Funds, Copenhagen

THE BOND SESSION
 Andy Gandy, Managing Director, D.W.S., Frankfurt
 Michaela Kellert, Head of Fixed Income, Credit Suisse Asset Management, London
 Patrick Dunne, Managing Director, Dunne & Co. International, London
 Gordon Johns, Managing Director, Harrow Investment Management, London
 Gary King, Chief Investment Officer, Global Fixed Income, G.T. San Francisco
 Jørgen Lørdal, Chief Economist, Salomon Brothers, New York

MONETARY STABILITY IN EUROPE - VISIONS ON ILLUSIONS?
 Olof Jørgen, Member of the Board, Deutsche Bundesbank, and Member of the Council Bank Council, Frankfurt

REGISTRATION INFORMATION: The fee for the conference is £200 plus VAT at 7.5%. This includes breakfast, lunch, the dinner reception on June 9 and all conference documentation. Fees are payable in advance and are non-refundable. Seats are limited and early booking is advised. Seats are held on a first-come, first-served basis. Seats are held on a first-come, first-served basis. Seats are held on a first-come, first-served basis.

THE CURRENCY SESSION
 Richard Fisher, Director of Trading, So Ho, Chicago
 Richard Fisher, Joint Managing Director, Guinness Pugh, London

LEARNING TOOLS
 Managing Director and Founding Partner, Mint Investment Management, New Jersey
 Anthony Morris, Head of the Strategy and Currency Group, Citibank, London
 Steve Jandrosky, Founder and Chief Executive, Geacorp, Denmark

KEYNOTE ADDRESS
 Richard Fisher, Chief Economist, Deutsche Bank, Frankfurt

THE EQUITY SESSION
 Allan Black, Managing Director, Merrill Lynch Asset Management, London
 Michaela Kellert, Head of Global Equity Strategy, Nomura, London
 Stephen Ed. Director and Regional Economist, Jardine Fleming, Hong Kong
 Henry Thomas, Investment Director, Credit Lyonnais International Asset Management, Hong Kong
 Andrew Telford, Senior Managing Director, Latin American Securities, London

STAFF MEETING
 Head of European Equities, U.S. Asset Management, Zurich
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Herald Tribune

Japan Casts Wide Shadow in Asia Taiwan Seeks Access to Market by Speaking Softly

TOKYO — While the U.S. is loudly demanding entry into the Japanese market, Taiwan is approaching its neighbor with a soft voice and good manners, relying on patience and persuasion.

A major promotion in the center of Tokyo recently stressed not what Japan had to do to help promote Taiwan goods, but how far Taiwanese companies had gone to meet Japan's strict quality standards and customer tastes.

A news conference featured not only chiefs of Taiwanese companies, but also a Japanese quality-control specialist hired to investigate the needs of this market.

Taiwan's trade deficit with Japan has a record \$11.7 billion last year, when it was Japan's second biggest export market. In per capita terms, the deficit is several times higher than the U.S. trade gap with Japan.

But Taipei has none of Washington's political or military leverage over Tokyo. It does not even have diplomatic relations with Japan, which broke them when it established ties with China in 1972.

This means Taiwan companies have to take a low profile. "We are considering the long term," said Stan Shih, chairman of Acer Inc., Taiwan's top computer maker, who was presenting in Tokyo what he called the world's first multimedia personal computer.

"Price is not our major concern. Our concern is maintaining technology and high quality," he said.

"Japan is different from Southeast Asian markets. It is more conservative. The standard for quality is very high here. Our strategy is patience. The potential is huge, but initially our sales are small," he said.

"Acer is like Taiwan's IBM. It has quality control and Japanese-style management," said an executive of Mitsui & Co., which sells Acer's semiconductors in Japan. "It is changing the image of Taiwanese products as cheap and phony."

Of Taiwan's \$8.9 billion worth of exports to Japan last year, electronics and machinery accounted for \$1.82 billion, animal products \$1.6 billion, steel and steel products \$822

million, and textiles and apparel \$715 million.

Taiwan wants to change its image as an exporter of cheap, poorly manufactured goods.

One of the products being promoted was the latest carbon-tube mountain bicycle of Giant Manufacturing Co., which sold 60,000 mountain bikes to Japan worth 2 billion yen (\$17.8 million) last year, 4 percent of the company's total sales.

"It is difficult to be dominant in this market because end-user demands are diversified," an executive at Giant's Tokyo office said. "Taiwanese makers can apply mass production to the U.S. and Europe, where quality is not so important."

Taiwanese businessmen say core sectors like electronics and automobiles are hard to crack as giant Japanese manufacturers have a dominant share from production to distribution.

But, while they see consumer demand here stagnant in the short term, they are optimistic that over the longer haul their techniques will pay off.

For Malaysia, the Strong Yen Indicates Hard Times

KUALA LUMPUR — The sharp appreciation of the yen may cheer up the United States but is bad news for developing countries such as Malaysia that will have to pay more for their imports from Japan.

"If the yen keeps rising like it is going to hurt," said Song Seng Wun, an economist at Smith New Court. The yen has jumped 12 percent so far this year against the Malaysian ringgit.

Nearly a third of Malaysia's imports last year came from Japan, its biggest trading partner, which itself picked up 13 percent of what Malaysia sold overseas.

The yen, buttressed by an American belief that a stronger Japanese currency will help correct its trade imbalance with Tokyo, is likely to dash Kuala Lumpur's hopes of cutting down its overseas debt again this year.

A third of the money Malaysia owes over-

seas is denominated in yen. Total debt fell to 41.4 billion ringgit (\$15.9 billion) last year from 43.8 billion in 1991. Although the ringgit could rise against other currencies, Mr. Song said its depreciation against the yen would leave the ringgit value of Malaysia's external debt more or less unchanged.

Malaysia is just beginning to climb out of its current-account pit, the central bank last month predicted a small surplus of 341 million ringgit this year, a huge improvement from a deficit of 4.4 billion in 1992.

In calculating the figures, Bank Negara was counting on better exports. It projected a merchandise surplus of 12 billion ringgit in 1993, up from 7.3 billion last year.

But all these sums may come unstuck if the Japanese currency continues to rise, analysts said. "Importers will suffer because they have to pay higher ringgit for their yen-denomina-

ed goods," said Mustafa Mohamed Nor, chief economist at Arab-Malaysian Securities.

Malaysia is pushing hard to broaden its manufacturing base, and 83 percent of imports last year were capital goods. A large portion of that came from Japan, not least because Japanese companies setting up shop in Malaysia like to buy their equipment at home.

With the yen buying more, Malaysia's exports to Japan have become cheaper. Theoretically, then, they should rise. But analysts said this was unlikely to happen.

Commodities such as gas, crude oil and timber, for which demand is relatively inflexible, accounted for 43 percent of Malaysian exports to Japan last year.

One positive side effect of a strong yen for countries such as Malaysia is that it could get Japanese companies reaching in to their pockets to invest in countries where manufacturing is cheap.

China Rivaling Japan in Taiwan Trade

TAIPEI — China is catching up with Japan as a major market for Taiwan's exports thanks to the mainland's booming economy and growing ties across the straits, Taipei officials and businessmen said on Wednesday.

The Board of Foreign Trade said China would replace Japan as Taiwan's third-largest export market in the next two or three years.

Meanwhile, the Economy Ministry said Taiwan's trade surplus hit a quarterly five-year low of \$1.34 billion in the first three months of 1993.

The first-quarter trade surplus also represents a 47.7 percent plunge from the number posted last year because of expanded domestic demand, the ministry said, adding the dwindling surplus would not improve within five years.

In March alone, the trade surplus dropped 30 percent over the similar month a year earlier, the seventh successive monthly slide.

The ministry predicted this year's surplus would not fall below a projected \$6 billion.

The United States is currently Taiwan's largest market, followed by Hong Kong, then Japan, China is fourth.

Taiwan's exports to China through Hong Kong last year surged 34.0 percent, to \$6.3 billion from \$4.7 billion in 1991, according to the board of trade. "Our export growth to mainland China will rise faster than the growth to Japan," said the board's deputy director general, Hsu Chao-ling.

The board said two-way trade between Taiwan and China through Hong Kong for the first two months of 1993 jumped almost 30 percent, to \$1.17 billion, from a year earlier.

"The board made its bullish statement as the former Cold War foes continued talks in Singapore, their highest-level contact since the communists defeated the nationalists in 1949.

Three agreements have been already reached — on creating a system of regular contacts between the two sides, compensation for lost mail and verification of documents — but there

was deadlock over Taipei's proposal for formal protection for Taiwan investments in China.

Taiwan's exports to China would reach \$8 billion this year and \$10 billion in 1994, said the board's information department director, Thomas Chang.

Taiwan's exports to Japan fell to \$8.9 billion in 1992 from \$9.2 billion in 1991. Officials said the figure would remain between \$9 billion and \$10 billion in 1993 and 1994.

Board officials attributed Taiwan's rapid export growth to China to increased investments by Taiwanese in the mainland.

Rising investments have spurred demand for components and materials from Taiwan, Mr. Hsu said.

On Tuesday, the Mainland Affairs Council, which formulates Taiwan's policy toward China, said more than 10,000 Taiwanese businessmen had invested about \$9 billion on the mainland.

(Reuters, AFP)

U.S. Gives Approval For Funds to Buy Stocks in China

HONG KONG — American fund managers have been given a green light by the U.S. government to invest in Chinese stocks, potentially providing a boost for what has been a sleepy market for B-class shares in the Shenzhen and Shanghai stock exchanges.

Stocks sold on Chinese exchanges fall into two categories — B shares set aside for foreign investors and A shares, which can only be purchased by domestic Chinese investors.

For China-oriented mutual funds in the United States, the ruling by the Securities and Exchange Commission looks like welcome news. Before the SEC approval, most of the funds were reluctant to invest directly in the markets for fear of being slapped with penalties by the U.S. government, which takes issue with the primitive Chinese stock clearing system.

"If this all occurred during a bull phase in the China market it would have been like kerosene on a fire," said Mark White, director of JF China Region Fund Inc., Jardine Fleming's U.S.-listed China fund. "Unfortunately, there isn't a fire. So we won't see an immediate effect on the market."

The B-share decision, which came on Monday, had been long-awaited. Share prices in China's exchanges have gone virtually unchanged for more than a month, partly in anticipation of the SEC ruling.

The SEC issued a no-action letter on Monday that essentially tells U.S. institutional investors that if they invest in the China B-share markets, they will not be harassed by the regulatory body.

"Fund managers already had anticipated the decision," said Alice Lau, market analyst at Standard Chartered Securities. "The news is

positive, but we aren't going to see U.S. investors roaring into the B-share market.

"Even a slight portfolio movement is going to drastically affect share prices in markets with such small capitalization," said Richard Wong, investment manager at Wardley Investment Services.

The market capitalization in Shenzhen's B-share market is around \$430 million. Shanghai's B-share market capitalization hovers around \$620 million.

The combined capitalization of all China funds globally is about \$1.25 billion, according to figures obtained from Kleinwort Benson Securities.

The main stumbling block to SEC approval was the exchanges' clearing systems. These did not meet U.S. criteria requiring stocks to go through a central clearing system.

Recently, however, depository and clearing systems in China have greatly improved. Shanghai opened a new clearing system earlier this month that met SEC standards.

Some analysts say there are many fundamental problems with China's exchanges that need to be rectified before investment flows into China in a big way.

"There are still technical problems," said Elizabeth Cheng, head of China research at Wardley James Capel. "Their rules and regulations are still primitive, and there still is a lack of liquidity. The SEC decision doesn't change any of that."

Steve McNamee, director of international sales at Marlin Ord Minnett (Asia), agreed. "There are just too many other investments chasing the U.S. dollar," he said. "China needs U.S. investors, but U.S. investors don't really need China right now."

Exchange	Index	Wednesday Prev.	Close	Change
Hong Kong	Hang Seng	6,894.50	5,836.88	-4.85
Singapore	Straits Times	1,779.82	1,786.63	+0.36
Tokyo	Nikkei 225	1,708.50	1,704.70	-0.07
Tokyo	All Ordinaries	20,454.57	20,206.71	-1.23
Kuala Lumpur	Composite	686.43	682.57	-0.41
Bangkok	SET	668.28	668.98	+0.71
Seoul	Composite Stock	728.41	722.86	-0.76
Taipei	Weighted Price	4,527.67	4,508.11	-0.47
Hankai	Composite	1,584.67	1,548.39	-0.96
Jakarta	Stock Index	312.19	311.26	-0.30
New Zealand	NZSE-40	1,622.58	1,603.67	-1.18
Bombay	National Index	562.10	536.70	-2.59

Very briefly:

- Japan's Ministry of Posts and Telecommunications will host a roundtable meeting with the United States to improve cooperation in telecommunications.
- Recruit Co. will take over 600 billion yen (\$510 billion) in loans carried by its nonbank subsidiary First Finance Co. to ease the company's interest burden.
- China has tightened the reins on its speeding economy by punishing two provinces and several government units for unauthorized fund-raising, the People's Daily reported.
- Australia's consumer price index rose by 0.9 percent in the March quarter; over the year to March inflation was 1.2 percent, a 30-year low and the lowest in the industrialized world.
- Nippon Steel Corp.'s board voted to name vice president Takashi Imai as president to replace Hiroshi Saito, who will be chairman.
- Asahi Glass Co., Japan's biggest glassmaker, plans to inject \$350 million into APG Industries Inc., a troubled U.S. sheet glassmaker it acquired last year. The money will be used to pay down debt.
- Bhutan will set up its first stock exchange next month.

Reuters, AP, Bloomberg, AFP

A China Tilt for Hong Kong Business Group

HONG KONG — Pro-China businessmen have dominated elections at Hong Kong's influential General Chamber of Commerce, ousting an executive of the Jardine Matheson trading house, which has supported plans for wider democracy in the territory.

Three pro-China candidates won seats Tuesday night on the general committee of the chamber, which has become a battleground for the debate on democratic reform.

The chamber's representative in Hong

Kong's legislature, the pro-democracy banker Jimmy McGregor, said he expected pro-Beijing forces to try to oust him from the committee when he comes up for re-election next year.

This year's elections for six places on the 24-strong committee were marked by allegations from liberal and independent members, many of whom support Governor Chris Patten's democracy proposals, of a campaign by pro-China members to take over the group.

Martin Barrow, first vice chairman of the committee and a member of the Legislative

Council, was the most prominent loser.

The Jardine executive has not vocally supported Mr. Patten in his six-month quarrel with China. But at the height of the dispute last year Beijing criticized Jardine when the London-based director Sir Charles Powell was quoted as supporting Mr. Patten.

Successful candidates included the Shanghai businessman Alex Ye, who moved to Hong Kong recently, and the former legislator James Tien. Mr. Tien is a member of the conservative Business and Professionals Federation,

COMPANY RESULTS

Company	1992	1991	1990
United States			
American President	1992	1991	1990
Revenue	1,272	1,272	1,272
Net Income	127	127	127
Per Share	1.27	1.27	1.27
Dividend	0.51	0.51	0.51
Market Price	12.10	12.10	12.10
1992 quarterly net earnings change of \$214 million.			
Anchor Bancorp			
Revenue	1,272	1,272	1,272
Net Income	127	127	127
Per Share	1.27	1.27	1.27
Dividend	0.51	0.51	0.51
Market Price	12.10	12.10	12.10
1992 quarterly net earnings change of \$11 million.			
Armatron World Ltd.			
Revenue	1,272	1,272	1,272
Net Income	127	127	127
Per Share	1.27	1.27	1.27
Dividend	0.51	0.51	0.51
Market Price	12.10	12.10	12.10
1992 quarterly net earnings change of \$224 million.			
Avary Dominion			
Revenue	1,272	1,272	1,272
Net Income	127	127	127
Per Share	1.27	1.27	1.27
Dividend	0.51	0.51	0.51
Market Price	12.10	12.10	12.10
1992 quarterly net earnings change of \$12 million.			

COLUMBIA SECURITIES N.V. AMSTERDAM

Shareholders are invited to attend the Annual General Meeting of Shareholders to be held on Friday, May 14, 1993 at 10:45 a.m. at the office of the ABN AMRO Bank N.V., Vijzelstraat 32, Amsterdam.

AGENDA

1. Opening.
2. Report of the Management for the financial year 1992 and report of the Supervisory Board.
3. Adoption of the Annual Accounts for the financial year 1992.
4. Appropriation of the 1992 result.
5. Appointment of member of the Supervisory Board.
6. Any other business.
7. Closing.

The respective documents are available at the office of the company, Poppingadreef 22, Amsterdam and at the ABN AMRO-office, Herengracht 597, Amsterdam.

Holders of bearer shares wishing to attend the General Meeting must deposit their shares ultimately on Tuesday, May 11, 1993 before 2:00 p.m. with the ABN AMRO Bank N.V. or with Banque de Neufilze, Schillingberg, Mallet S.A., Paris. A deposit certificate will be issued to each shareholder, which, upon surrender, will entitle them to attend the meeting and cash their vote.

Amsterdam, April 28, 1993

Managers:
ABN-AMRO International Investment Advisory Company B.V.

B.F.C.E. IN 1992 : A NEW EARNINGS INCREASE

CONSOLIDATED INCOME (FRF millions)	1991	1992	Variation (%)
Net banking and other income	2,041	2,066	+ 1
Operating income before provisions	871	836	- 4
Net income, Group share	115	137	+ 18
TOTAL CAPITAL (GDOK Standard) (FRF billions)	5,6	6,6	+ 18

With operating expenses at the same level as in 1991, gross operating profit grew by nearly 4 percent, to FRF 696 million.

Higher income, with a strengthened financial base.

Net allocations to provisions were FRF 410 million in 1992, down from FRF 530 million the year before. While allocations to provisions for specific risks were significantly higher, FRF 360 million versus FRF 299 million in 1991, as a result of the weakened economic situation, allocations to provisions for sovereign risks dropped sharply to FRF 50 million, from FRF 231 million in 1991, due to the beneficial effects of the defensive program. The coverage ratio for the sovereign risks remaining on Bank books increased nevertheless to 60 percent, including coverage for the countries of the former Soviet Union whose risk coverage ratio in 1991 had been only 35 percent.

In addition, the revaluation of a portion of the Bank's real estate holdings generated a FRF 640 million capital gain which, without passing through income, was allocated directly to total capital. Following adjustments, total capital increased by nearly FRF 1 billion, amounting to FRF 6.6 billion at December 31, 1992. The Bank's Cooke ratio at year-end 1992 stood at 8.6 percent.

B.F.C.E. Banque Francaise du Commerce Extérieur

REPUBLIC NEW YORK CORPORATION SAFRA REPUBLIC HOLDINGS S.A.

Consolidated Statements of Condition and Summaries of Results

These statements and summaries represent the consolidated accounts of Republic New York Corporation and its wholly owned subsidiaries and of Safra Republic Holdings S.A. and its wholly owned subsidiaries. Republic New York Corporation owns 48.9% of Safra Republic Holdings S.A., which is accounted for by the equity method.

	REPUBLIC NEW YORK CORPORATION		SAFRA REPUBLIC HOLDINGS S.A.	
	1993	1992	1993	1992
Assets				
Cash and due from banks	\$ 446,934	\$ 336,511	\$ 60,864	\$ 54,289
Interest bearing deposits with banks	7,271,423	8,781,642	3,301,462	3,025,062
Precious metals	417,673	412,443	117	1,126
Investment securities	13,063,123	10,159,932	5,557,635	4,399,473
Trading account securities	837,474	258,612	43,617	5,323
Federal funds sold and securities purchased under resale agreements	1,769,200	1,043,243	1,173,516	1,202,615
Loans, net of unearned income	7,925,159	8,281,380	(56,790)	(13,816)
Allowance for possible loan losses	(251,870)	(233,674)		
Loans (net)	7,673,289	8,047,706	1,116,726	1,188,799
Other assets	3,290,283	3,214,108	280,081	245,776
Total assets	\$34,769,399	\$32,254,197	\$10,360,502	\$8,919,848
Liabilities				
Total deposits	\$20,713,976	\$20,187,839	\$ 6,819,860	\$6,615,837
Short term borrowings	4,250,698	3,271,344	1,705,094	669,105
Other liabilities	3,184,200	2,839,629	231,215	150,421
Long term debt	2,175,662	2,440,118	447,600	397,600
Subordinated long-term debt and perpetual capital notes	2,130,988	1,384,351		
Shareholders' Equity				
Cumulative preferred stock	556,425	556,925		
Common stock and surplus, net of treasury shares	711,288	706,833	901,870	902,219
Retained earnings	1,046,162	867,158	254,863	184,666
Total shareholders' equity	2,313,875	2,130,916	1,156,733	1,086,885
Total liabilities and shareholders' equity	\$34,769,399	\$32,254,197	\$10,360,502	\$8,919,848
Book value per share	\$ 33.67	\$ 30.26	\$ 65.37	\$ 61.40
Client portfolio assets in custody			\$ 3,697,565	\$ 2,513,334
Net income, for the quarter ended	\$ 68,745	\$ 60,404	\$ 27,205	\$ 22,636
Net income per common share (primary)	\$ 1.18	\$ 1.04	\$ 1.54	\$ 1.28
Average common shares outstanding (primary)	52,196	52,020	17,703	17,733

Risk-Based Capital Ratios

As of March 31, 1993 Republic New York Corporation's risk-based core capital ratio was 17.64% (estimated) and total qualifying capital ratio was 30.39% (estimated). The ratios include the assets and capital of Safra Republic Holdings S.A. on a consolidated basis (in excess of \$40 billion in total assets and \$4 billion total capital) risk-weighted in accordance with the requirements of the Federal Reserve Board specifically applied to Republic New York Corporation.

Republic New York Corporation
Fifth Avenue at 40th Street
New York, New York 10018

Safra Republic Holdings S.A.
32, boulevard Royal
2449 Luxembourg

Banking Locations
Geneva, Gibraltar, Guernsey, London, Lugano, Luxembourg, Milan, Monte Carlo, Paris, Zurich, Beverly Hills, Cayman Islands, Los Angeles, Mexico City, Miami, Montreal, Nassau, New York, Buenos Aires, Caracas, Montevideo, Punta del Este, Rio de Janeiro, Santiago, Beirut, Beijing, Hong Kong, Jakarta, Singapore, Taipei, Tokyo.

SPORTS BASEBALL

Gooden Boils Over As Dodgers Keep The Heat on Mets

By Jennifer Frey
New York Times Service

NEW YORK — Dwight Gooden stepped off the mound and advanced on plate umpire Bill Hohn. The New York Mets' ace was screaming, his finger jabbing wildly at the air, as if to punctuate his diatribe about the appropriate dimensions of a strike zone. In the Mets' dugout, players rose to their feet in amazement, jaws going slack.

This was not vintage behavior for Gooden. This was not even once-in-a-blue-moon behavior for Gooden. He is a man who puts his heat in his

would improve once he took the field, he was wrong. His pitching was wonderful. It's just that his teammates were not.

Team offense consisted of three hits, the best a third-inning double by Gooden himself. Team defense deteriorated in the eighth, when the Mets made two fielding errors that cost Gooden three of the four runs.

Minutes before Gooden screamed at Hohn, rookie shortstop Tim Bogar allowed an infield grounder to slip through his legs, permitting one Dodger to score. Minutes after his explosion, Bobby Bonilla dropped Darryl Strawberry's sinking line drive in right field for two more runs.

"With everything that's going on here," Gooden said, "I think it's probably good we're going on the road."

In other games, The Associated Press reported:

Pirates 6, Braves 2: Knuckleballer Tim Wakefield survived 10 walks while pitching into the 11th inning as Pittsburgh won in Atlanta.

The winning run came in the top of the 11th when relief ace Mike Stanton made a throwing error on a sacrifice bunt by Wakefield, allowing Carlos Garcia to score from third base in five starts this season that he walked nine or more batters; he has won each of those games.

Giants 6, Phillies 3: In a game between first-place teams at Veterans Stadium, John Burkett became the first National League pitcher to record



Umpire Bill Hohn told Dwight Gooden where to take his gripes as the Mets' manager, Jeff Torborg, and catcher Todd Hundley intervened.

Wakefield got his fourth victory over Atlanta, throwing 171 pitches and allowing six hits. It was the third time in five starts this season that he walked nine or more batters; he has won each of those games.

Giants 6, Phillies 3: In a game between first-place teams at Veterans Stadium, John Burkett became the first National League pitcher to record

his fifth victory, limiting the Phillies to seven hits, striking out six and walking none in 7 1/2 innings.

Matt Williams homered, Will Clark doubled home two runs and Barry Bonds tripled in two as the Giants ended the Phillies' four-game winning streak.

Astros 9, Cardinals 2: Craig Biggio broke a seasonlong RBI

drought by tripling home two runs in the fourth in Houston as the Astros stayed in a virtual tie with the Giants for first place in the NL West.

Padres 4, Expos 1: San Diego got all the runs it needed in the first when Gary Sheffield hit a two-run homer, but Andy Benes failed in his bid to throw the home team's first no-hitter when Moses Alou

led off the seventh with an opposite-field double.

Rockies 11, Cubs 2: Andres Galarraga's long homer in Denver capped a six-run fourth that beat Chicago.

Mariners 4, Reds 3: Cecil Espy misplayed Dave Magadan's liner into a three-base error that allowed Florida's winning run to score in Cincinnati.

Basketball's Valvano Dies of Cancer at 47

By Robert McG. Thomas Jr.
New York Times Service

NEW YORK — Jim Valvano, the fast-talking, wisecracking New York-bred basketball coach whose 1983 Cinderella team at North Carolina State won the national championship, died Wednesday at Duke University Medical Center in Durham, North Carolina, after a year-long battle with cancer. He was 47.

Valvano, who had been a basketball commentator since leaving North Carolina State amid controversy in 1990, had been admitted to the hospital at the end of March.

Well before the Wolfpack won the 1983 national championship in his third season, Valvano had made himself into the state's most visible, and audible, character, appearing almost incessantly on a statewide radio hookup, accepting speaking engagements in every Carolina town and cheerfully promoting a soft drink, a health club, a fast-food chain and a bank.

"I set out very calculatedly to become known," he said, suggesting that fame would help his recruiting efforts. "The only thing I maybe miscalculated was how easy it would be."

The Wolfpack tied for third place in the Atlantic Coast Conference in 1983 with an 8-6 record, 17-10 overall. They did not lose again, getting a bid to the NCAA tournament by winning the conference tournament, then upsetting higher-ranked teams to reach the final.

Their opponent was top-ranked Houston, which had won 26 straight games with Clyde Drexler and Akeem Olatunwo, now stars in the National Basketball Association.

Knowing victory depended on a deliberate pace, Valvano showed

his mastery as a coach by slowing the tempo. Still, with a minute left, Houston was up by six points. Valvano ordered his players to commit fouls, and as the Cougars, weak foul shooter, fouled at the free-throw line, the Wolfpack closed in.

In the final seconds, North Carolina State's Derek Whitteburg lofted a long desperation shot that faded short and to the right of the basket. As Olatunwo, out of position, looked on helplessly from the foul line, Lorenzo Charles, who was jumping up as the ball was coming down, grabbed it and slammed it into the net at the buzzer. North Carolina State had won, 52-50.

James Thomas Valvano, who was born in Corona, Queens, and grew up on Long Island, was raised on basketball. His father, Rocco, and an uncle were high school coaches. Jim and his brothers all played for his father's Seaford High School team.

After playing for Rutgers, Valvano spent a year as an assistant coach there before becoming head coach at Johns Hopkins in 1970 in the age of 22. After posting a 10-9 record, the Blue Jays' first winning season in 24 years, he spent two years as an assistant at Connecticut and three as head coach at Bucknell (33-32) before moving to Iowa.

He capped his five years at Iowa with two winning seasons, a 23-6 record that included the Guelts' first NCAA appearance in 1979, and a 29-5 season the next year, when the team made it to the NCAA second round before losing to Georgetown.

The successes led to the call from North Carolina State. Valvano departed along with all five starters from the 1979-80 Iowa team, including its star, Jeff Ruland, a prize recruit who was declared ineligible for his senior season after he signed a contract with an agent, a violation of NCAA rules.

The beginning of the end of Valvano's coaching career came early in 1989, with the publicity surrounding a book, "Personal Fouls," which promised to expose corruption within the North Carolina State basketball program.

Valvano demanded an NCAA investigation, which found that some players had improperly sold game tickets and committed other irregularities. Valvano disclaimed knowledge of the infractions, but was forced to give up his post as athletic director. He remained as basketball coach as the program began a two-year period of probation.

A few months later, in February 1990, reports surfaced that a former star, Charles Shackelford, had improperly accepted \$65,000 from a man posing as an agent and a Wolfpack booster during his years at North Carolina State. Valvano said he had not known about the payments, and Shackelford himself said he hadn't, but in April, Valvano departed to start a career as a commentator with ABC and ESPN.

It was little over a year later that he discovered that he was suffering from cancer.

NL ROUNDUP

fastballs, not in his voice. And he never, ever, has to be separated from an umpire by his manager.

But Gooden ran out of patience Tuesday. Obviously frustrated by what had become — and would continue to be — an annoying 24 hours, Gooden allowed himself a brief show of emotion in the eighth inning of a game against the Los Angeles Dodgers at Shea Stadium.

Maybe it made him feel better, but it didn't change the outcome of the game. Despite pitching brilliantly, Gooden ended up a 4-1 loser to another former Cy Young Award winner, Orel Hershiser.

The pitching duel itself was reminiscent of the old Gooden-Hershiser magic, not seen since the days before each underwent surgery and lost a bit of their stuff. Hershiser pitched a three-hitter for his first victory at Shea Stadium since Aug. 24, 1986.

Gooden gave up a mere two hits and one earned run in eight innings, but only mistake a second-inning fastball that Mike Piazza drove into the left-field bleachers.

"I haven't been like that, not that I can remember," Gooden said, "I just got caught up in the situation. There's just a lot of stuff in the air at one time. Things will get better. I'll get better days."

Afterward, in the locker room, Gooden was, as usual, a gentleman. But he had a right to be angry — not necessarily at Hohn, but at his team.

The nightmare started the night before, before a game against the Dodgers that was rained out. Gooden was scheduled to start, but was pulled at the last minute because of what the Mets termed a "clubhouse accident."

The accident came in the form of Vince Coleman, who was playing with a new set of golf clubs and ended up whacking Gooden on his pitching shoulder with a backswing.

Coleman refused Tuesday to discuss the incident, telling reporters to "ask Doc."

"What can I say?" Coleman said, almost laughing. "It's already in the papers."

Despite a few forced chuckles and a valiant attempt to play down the incident, it was clear that Gooden was not amused.

Asked why he hadn't ducked, Gooden raised his eyebrows in the direction of Coleman's locker. "You can't duck if you're not looking," he said.

If Gooden hoped that things

Bosio's Collarbone Broken First Game After No-Hitter

The Associated Press

Just when things seemed to be going right for the Seattle Mariners, they went wrong again.

Pitcher Chris Bosio, in his first start since pitching the season's first no-hitter, broke his left collarbone Tuesday night in a 4-0 victory over Cleveland.

Bosio was injured when he was run over by Jeff Treadway at first base while catching a double-play relay that ended the fifth inning.

The right-hander will be out for six to eight weeks, the team said. He had given up three hits and extended his scoreless streak to 17 innings.

"The problem was I don't think he could find the bag," said the Mariners' manager, Lou Piniella. "I think he was straddling it a little bit and the runner got there simultaneously and just ran over him. The runner had no choice."

Bosio's collarbone was fractured in three places, said the team's physician, Larry Pedegana.

Pete O'Brien had three hits and drove in two runs for the Mariners, who already were playing without the injured Edgar Martinez and Dave Fleming.

Martinez, the 1992 American League batting champion, pulled his left hamstring muscle in the final spring training game. Fleming, who won 17 games as a

rookie, has tendinitis. Piniella said he expects both to return within three weeks.

Yankees 5, Angels 0: Jimmy Key pitched his second major league one-hitter, Gary DiSarcina's leadoff single in the sixth, as New York won its third in a row on the road and ended a California six-game winning streak.

Key struck out eight, walked one and lowered his earned-run average to 0.93. His other one-hitter came with Toronto in 1986 against Chicago.

Key is 10-0 in his last 14 starts, including postseason play with the Blue Jays. The shutout was the ninth of his career.

Mike Gallego hit two home runs in a game for the first time in the majors, and Danny Tartabull and Bernie Williams also connected off Chuck Finley.

Athletics 7, Red Sox 2: Mark McGwire hit two home runs and Ruben Sierra and Lance Blankenship got homers on balls that glanced off outfielders' gloves as Oakland halted its four-game losing streak. Boston lost its sixth in a row on a West Coast trip.

Sierra's homer went off right fielder Andre Dawson's mitt and Blankenship homered off left fielder Mike Greenwell's glove.

Royals 4, Tigers 3: Chico Lind singled home the winning run with one out in the bottom of the 10th, completing Kansas City's comeback from a 3-0 deficit.

White Sox 9, Orioles 4: Jack McDowell became the American League's first five-

Sorry, No Alligators For the Ryder Cup

Reuters

LONDON — Organizers of the Ryder Cup golf tournament have abandoned plans to put alligators in the lake opposite the 18th hole at The Belfry during this year's tournament.

The owners of The Belfry, the course in the English Midlands where Europe stages the biennial match against the Americans in September, considered the idea after seeing alligators during the 1991 tournament at Kiawah Island, South Carolina.

However, Mike Maloney, general manager of The Belfry, said this week: "We got a couple here from the local Drayton Manor Zoo but were told they would not last more than 12 hours in the lake. It would be too cold for them — even in the middle of summer."

game winner and Chicago banded visiting Baltimore its sixth loss in seven games.

The White Sox got 18 hits, four by Lance Johnson. Frank Thomas, who drove in four runs, and Joey Cora, who scored four times, each had three hits.

Blue Jays 4, Rangers 3: Pat Hentgen, put into Toronto's rotation when Dave Stewart went on the disabled list, stopped visiting Texas on three hits for eight innings, although one was Dean Palmer's two-run homer in the seventh.

Brewers 3, Twins 2: Pat Litsch went 4 for 4 as Milwaukee, playing at home, handed Minnesota its fifth straight loss.

Unraveling the 'Rabbit Ball'

By Murray Chass
New York Times Service

NEW YORK — The first pitch had barely been made this season when the cry began to be heard: The baseball is juiced up; the rabbits are alive and well.

The last time the cry was heard, it was thunderous. Major league batters hit 4,458 home runs in 1987, and everyone was certain the ball was juiced. The next season, though, when batters hit only 3,180 home runs, a remarkable 29 percent plunge, no one talked about a dead ball.

Now, in 1993, livelier baseballs have allegedly returned. Indeed, in the first three weeks of the season, batters have hit more home runs than in the corresponding period a year ago. Batters have also hit better generally and teams have scored more runs. But is it the balls?

"I don't buy it myself," said Sparky Anderson, whose Detroit Tigers amassed 20 runs twice in a four-game span. Rather, he suggested, it's the pitching.

"Any time you've added 20 or 22 pitchers," Anderson said, referring to expansion, "you've added 20 guys who wouldn't be there. They'd be in the minors. Something has to happen. We're going to see more runs this year than last year, and not because you have two more clubs to score the runs. Throw those two out and you'll still have more runs."

The last time the major leagues expanded, in 1977, offensive statistics rose, too. Batters averaged more than half a home run a game more than in 1976, and teams hit 9 points higher and scored one run a game more. Pitching is the common denominator.

"We feel pitching is a little thinner," said Andy MacPhail, the Minnesota Twins' general manager. "It's supply and demand. The demand has increased. The supply hasn't."

Of the 295 pitchers on opening-day rosters this season, 95, just about a third, had less than two years' experience in the majors. Thirty-five of those young pitchers were in their teams' starting rotations, meaning one-fourth of all starters are mere babies. The Twins, the Yankees, the Rockies and the St. Louis Cardinals each had three of those starters.

Breaking the group of 95 into parts, 16 never had spent a day in the majors, 25 others had seen major league hitters for less than half a season and 20 others had between half a year and one year in the majors. That means that one out of every five pitchers had little or no experience at the major league level; one out of every three had less than two years' experience.

"People are getting the opportunity because of expansion but also because of salary pressures," MacPhail said.

"The star-caliber salary is so high, you try to compensate in other areas with players who haven't reached their maximum earning potential. Those players become more attractive so you can carry the stars."

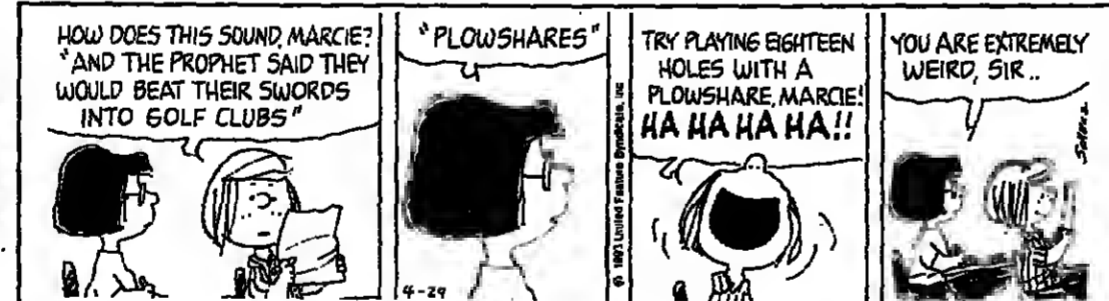
Besides the observations of managers and general managers, the poorer-pitching theory receives added support from another statistic: walks. In 1977, the number of walks per game increased, and that has happened this season, too. Livelier balls won't produce more walks — unless the rabbit balls jump out of the strike zone.

DENNIS THE MENACE



SHE'S JUST GOING TO GIVE YOU A HUG, DEAR. NOT A BODY SLAM.

PEANUTS



BLONDIE



BEEBLE BAILEY



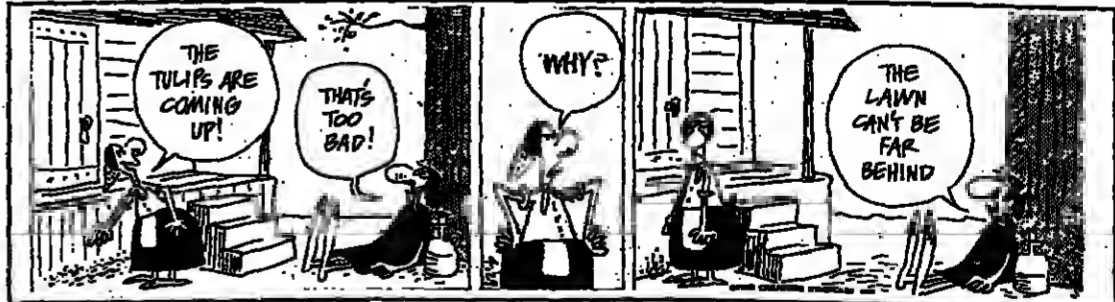
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SPORTS SOCCER

NHL May Support Hockey in Russia

By Ian Thomson
International Herald Tribune

MUNICH — For less than \$5 million a year, Russia is offering to become a plantation for the National Hockey League.

The two sides are negotiating the survival of post-Soviet hockey. Russian officials said Wednesday at the World Ice Hockey Championships, where their national team has advanced to a semifinal against Canada. On Friday, the Russians will meet the tournament's leading scorer, Eric Lindros, whose \$4.4 million annual salary from the Philadelphia Flyers would support their country's 64 clubs.

The NHL proposed last year to pay the Russian ice hockey federation for each player signed, according to the federation's negotiator, Rich Winter, a Canadian player agent. A record 17 percent of the NHL's players this year came from Europe, the majority from the former Soviet Union.

Russia responded two months ago with a "concrete proposal" asking for an annual lump sum to be dispersed among the 19 teams in the post-Soviet Interstate League and 45 other Russian clubs. Winter predicted that the amount would be less than \$5 million. But without it, he said, hockey might not survive another Russian winter.

"Annual minimum compensation assures that all clubs will be able to operate throughout Russia, and any young man who wants to play will be able to play no matter where he lives," Winter said.

"We have a variety of proposals we have discussed and are discussing," said Steve Solomon, the NHL senior vice president for business affairs, who will attend these championships Thursday.

Winter suggested that Commissioner Gary Bettman, newly arrived from the progressive National Basketball Association, will negotiate a deal for three to seven years with the idea of weaning Russia off outside aid.

The Russians also want to be compensated uniformly for each player exported overseas, Winter said. And they want to be paid according to a negotiated formula based upon the player's performance in the NHL.

If they produce more players for the NHL, they expect, they expect a bonus.

"These bonuses amounts will be spread amongst the clubs that develop the players," Winter said. "These bonuses, like those in any market economy, are designed to reward those who do the job best and develop the best players."

As Winter and the federation's president, Vladimir Petrov, were discussing their plans at a press conference, a large Russian in a gold shirt grabbed a microphone on the floor and would not let go.

Identifying himself as Robert Cherenkov, president of the Interstate League, he spent several minutes describing a player-compensation agreement his league claimed to have made with the NHL in February. He said that he

could not understand the principles of Winter's claims. He demanded to know how Winter had received the rights to represent Russian clubs.

"In the old system, you could push through what you wanted, when you wanted, without regard to the law," responded Winter, who afterward described Cherenkov as a Communist whose days as leader of the Interstate League are limited. "Selfish interests will find their way into the agreement, but they will not dominate them. As Mr. Yeltsin is finding, he needs a consensus in his opinion, so will Mr. Cherenkov find that he needs a consensus."

As negotiator, Winter said, he is trying to control the interests of the Russian federation, the Interstate League and the Russian players association. He said the Interstate clubs had approved his proposals in a meeting here Tuesday.

"He wants the Interstate League to take all the money and not share it with anybody, put it into their own coffers," Winter said of Cherenkov. "I've been trying to tell these guys, look, you have to be together on this, or else in negotiations the NHL is going to eat you alive."

Winter, who lives in Edmonton and represents 50 NHL players, admitted he has never been to Russia, but he is planning a trip soon.

"The difficulty hasn't been logistics, because almost everybody has a fax machine these days," Winter said. "The problem is a lack of commercial understanding. If two businessmen in the States are meeting, even if they don't agree, they have a basic understanding of where they're trying to go."

"In this case, if I say we ought to have a royalty deal going so that they can be compensated for each player they produce beyond the norm, I first have to explain what a royalty is. It's more complicated, but at the same time, it's surprising to see them catching on. After all those years of state support, they're finally realizing that when a bill comes in, they've got to pay it."



Danish goalie Peter Schmeichel snatched the ball away before Ireland's Alan Kernaghan could head it into the net during their 1-1 tie.

Leafs Turning Red Wings Redder Still

The Toronto Maple Leafs have the lead, the momentum and a home game awaiting in their suddenly changed National Hockey League playoff series with the Detroit Red Wings.

The Leafs, who once trailed the series by 2-0, and trailed by 4-1 in Tuesday night's game, now have the opportunity to close out the Stanley Cup.

set up the winning goal by digging the puck out from a scramble along the left boards. He passed it to Foligno, who fired a shot through a maze of bodies. Goaltender Tim Cheveldae apparently never saw the puck coming.

had a goal and an assist. Rookie Robb Stauber stopped 40 shots for Los Angeles, which can wrap up the best-of-7 series at home Thursday night.

"When you come back like that, it gives you an edge. They start thinking about it, and you can't blame them, either," the Maple Leafs' coach, Pat Burns, said after Tuesday night's 5-4 overtime victory gave his team a 3-2 lead in the best-of-7 Norris Division semifinal.

stunned Red Wings in Game 6 on Thursday night in Toronto. Mike Foligno's goal at 2:05 of overtime beat Detroit this time. Thirty seconds into the overtime, Toronto's Dave Andrejchuk hit the right goalpost. Wendell Clark, who tied it at 4 in the third period.

Tom Sandstrom, another of the Kings' big guns who had been silenced during the playoffs, also had a goal and an assist. Rookie Robb Stauber stopped 40 shots for Los Angeles, which can wrap up the best-of-7 series at home Thursday night.

Pat Conacher scored twice and Warren Rychel, Mike Donnelly and Tony Granato also scored for the Kings, who finished the regular season third in the Smythe Division, nine points behind Calgary. Joe Nieuwendyk, Theoren Fleury, Chris Dahlquist and Frank Musil scored for the Flames, who haven't won a playoff series since their 1989 Stanley Cup championship.

Canada Beats Finland to Gain World Semifinals

Compiled by Our Staff From Dispatches

MUNICH — Mark Recchi scored twice Wednesday as Canada beat Finland, 5-1, in the quarterfinals of the World Ice Hockey Championships.

Canada, which posted a 5-0 record in the preliminary round, will play Russia in Friday's semifinals. The Czechs, meanwhile, cruised to an 8-1 win over Italy and now face defending champions Sweden in the other semifinal.

Recchi, a right wing from the Philadelphia Flyers, had not scored a goal in the previous games. But he made his first just 1:27 minutes into the game.

Jaanis Laakkonen tied the score at 4:42 in the second period, a long

range slap shot to goalie Bill Ranford's stick side.

But the Finns' joy was short-lived. They took an unnecessary penalty for too many men on ice and Canada capitalized less than two minutes later when Edmonton defenseman Dave Manson fired a slap shot from the blue line that beat goalie Markus Ketterer.

Recchi, who assisted on the goal, then beat Ketterer with a wrist shot from the right circle to make it 3-1 lead at 4:22 in the third period.

Dave Gagner of the Minnesota North Stars directed linemate Kelly Buchberger's pass between Ketterer's legs pads to make it 4-1 at 7:28, with Laakkonen off for a hooking penalty.

Manson added an empty-net goal at 16:40 after Finland's coach, Pentti Miettinen, pulled Ketterer for an extra attacker with Eric Lindros serving a minor penalty for tripping.

Lindros, who had two six-point games in the preliminary round, finished without a point but still had a tournament-leading 10 goals and 6 assists for 16 points.

"In the third period we stepped it up one notch," said Recchi, who had three assists earlier in the tournament. "They couldn't keep up with us. We started skating and forechecking. We created some turnovers."

Russia 5, Germany 1: Russia defeated a highly motivated German team and 11,000 hostile fans Tuesday night in Munich to reach the semifinals.

These bonuses amounts will be spread amongst the clubs that develop the players," Winter said. "These bonuses, like those in any market economy, are designed to reward those who do the job best and develop the best players."

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SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE			
East Division			
Team	W	L	Pct.
Detroit	12	6	.667
Texas	11	7	.610
New York	11	7	.610
Boston	11	7	.610
Minnesota	10	8	.556
Cleveland	10	8	.556
Baltimore	9	9	.500
West Division			
California	12	6	.667
Texas	11	7	.610
Chicago	10	8	.556
Seattle	10	8	.556
Minnesota	9	9	.500
Kansas City	8	10	.444
Oakland	6	12	.333

NATIONAL LEAGUE

Major League Standings

National League			
East Division			
Team	W	L	Pct.
Philadelphia	12	6	.667
Montreal	11	7	.610
St. Louis	11	7	.610
Chicago	10	8	.556
Cincinnati	10	8	.556
Florida	9	9	.500
West Division			
San Francisco	12	6	.667
Atlanta	11	7	.610
San Diego	11	7	.610
Colorado	10	8	.556
Cincinnati	10	8	.556
Los Angeles	7	12	.364

HOCKEY

Stanley Cup Playoffs

TUESDAY'S RESULTS			
Game	Score	Series	Notes
Toronto vs Detroit	5-4 OT	1-0	Leafs lead
Los Angeles vs Vancouver	2-0	2-0	Leafs lead

SOCCER

GERMAN FIRST DIVISION

Team	W	L	Pct.
Bayern Munchen	12	6	.667
Eintracht Frankfurt	11	7	.610
Karlsruher SC	10	8	.556
FC Schalke 04	10	8	.556
FC Bayern Munchen	9	9	.500
FC Schalke 04	8	10	.444
FC Bayern Munchen	7	11	.385
FC Schalke 04	6	12	.333

CRICKET

SECOND TEST

Team	W	L	Pct.
India	12	6	.667
West Indies	11	7	.610
Pakistan	10	8	.556
England	9	9	.500
South Africa	8	10	.444
Australia	7	11	.385
New Zealand	6	12	.333

TRANSACTIONS

BASEBALL

Player	From	To
Tim Lincecum	Seattle	San Diego
Tim Lincecum	Seattle	San Diego
Tim Lincecum	Seattle	San Diego

Tuesday's Line Scores

Team	W	L	Pct.
Philadelphia	12	6	.667
Montreal	11	7	.610
St. Louis	11	7	.610
Chicago	10	8	.556
Cincinnati	10	8	.556
Florida	9	9	.500
San Francisco	12	6	.667
Atlanta	11	7	.610
San Diego	11	7	.610
Colorado	10	8	.556
Cincinnati	10	8	.556
Los Angeles	7	12	.364

Japanese Leagues

Central League			
Team	W	L	Pct.
Chunichi	10	7	.588
Hiroshima	9	8	.524
Hokkaido	8	9	.471
Yokohama	7	10	.412
Yamaguchi	6	11	.353
Yokohama	5	12	.294

Japanese Leagues

Pacific League			
Team	W	L	Pct.
Niigata	10	7	.588
Saitama	9	8	.524
Kiushu	8	9	.471
Fukuoka	7	10	.412
Lotte	6	11	.353
Daiichi	5	12	.294

Baseball

Team	W	L	Pct.
Philadelphia	12	6	.667
Montreal	11	7	.610
St. Louis	11	7	.610
Chicago	10	8	.556
Cincinnati	10	8	.556
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Cincinnati	10	8	.556
Florida	9	9	.500
San Francisco	12	6	.667
Atlanta	11	7	.

ART BUCHWALD

Amy Fisher Theme Park

WASHINGTON — Terry Korth rushed into my office holding a set of blueprints. "I think I've got it. Amy Fisher has made a bundle from books and television, but she has just skimmed the surface when it comes to cashing in on her crime."

Terry unrolled the blueprint on my desk. "What do you think of opening up Amy Fisher World — an amusement park for kids who want to knock off their boyfriend's wives?"

"Well, at least you're dealing with a housewife name."

"Over here! Buchwald would have a shooting gallery where people could practice firing their pistols. Next to it would be the Joey Buttafuoco Motel."

"The Buttafuoco husband of the woman who drove Amy wild with jealousy?"

"That's him. Amy says that he was her lover and Joey says that he hardly knew her. He's being held for statutory rape of Amy, and we'll feature that in the Beauty and the Beast Pavilion."

"Over here we'll sell Amy's books and copies of the clothes she wore when she shot Mrs. Butta-

fuoco. Down here we'll build a replica of the jail that I've dubbed Heartbreak House. It's the same one where Amy was held. You can get your picture taken behind bars for a dollar."

"Is that a strip joint over there?" "Yeah, Joey wanted Amy to be a stripper. So it fits in well with the rest of the park."

"This is the Joey Buttafuoco ride. It's similar to the roller coaster at Coney Island."

"Is that a lion in the cage over there?" "Yes. If you remember, during the trial the judge called Amy a wild animal. We thought we would include a real wild animal that the people could compare her to. Over here is the Amy Fisher Shakespeare Theatre where we'll re-enact the trial."

"It's quite impressive," I told Terry.

"We want to give the customers their money's worth. We will even have on display the gun that Amy used to shoot Mary Jo."

"Didn't she buy the gun from Peter Guggen?"

"Yes, she did. After the shooting Amy was arrested and her friends ratted on her. We'll call the building the Squealers Pavilion. It will feature his air mattresses and visitors will be able to jump up and down on them and squeal to their heart's content."

"Over here next to the Amy Fisher Doll House is a tent where you can hear recordings of Amy's voice. In the back is the auction house where Amy's memoirs are up for sale."

"You have everything covered," I said admiringly.

Terry continued, "We're going to have someone dressed like Amy walking around with a pistol posing for pictures with the visitors. We also are planning to build a conference center where people can discuss whether Buttafuoco did or did not make love to our star."

"Maybe you could call it Twenty Thousand Leagues Under the Sea. Will Amy share in the profits?"

"Fifty percent," Korth said. "What good is it to shoot somebody if you can't get a piece of the action?"

Chick Corea: Disciplined, Unpredictable

By Mike Zwerin

PARIS — Chick Corea likes to meet his targets. Controlling his own destiny is essential. If he decides in advance to start a piano solo with a certain kind of feeling but then for some reason, right or wrong, finds something else at the last minute, he feels he let himself down. This may sound over-disciplined for a jazz musician, but he's anything but predictable. Since the early '70s, when his jazz-rock fusion band Return to Forever (RTF) launched him into the big time, he has grown into one of the most eclectic, influential and respected figures on the scene. He has switched between leading electric and acoustic bands, acoustic and electric keyboards, solo improvisational concerts, and post-bop, Latin, electro-pop and funk styles, writing and recording children's songs and classical recitals without regard to genre. Discipline even extends to breaking discipline.

'One particular offering is something in a stream of offerings.'

You better believe he has the will to do it. He has been called a chameleon. "People have their own taste and the basic freedom to change it at any given moment," says the Chameleon. "I do not consider someone who likes one color one day and another the next. That's the challenge when you are presenting people with your ideas. Here's what I have to offer today and here's how I put it across. I don't like to be forced into one bag or another. Music is a process rather than one song or an album. One particular offering is something in a stream of offerings."

John Patitucci, bass, and Dave Weckl, drums, built strong reputations as fusion players with Corea's "Electric Band." But now they are the battery of his "Akoustic Band." Patitucci having switched to the double bass. Old "bags" are continually being avoided around Chick Corea. He likes life "crisp, crystal and refreshingly to the point." Down Beat magazine called him "jazz's most protean and unpredictable character." going on to quote him: "I do everything. I do — my whole art of music on the communication that emanates from me and my group straight to a listener. . . . So whatever instrument I'm playing on is of very secondary consideration." The vibraphonist Gary Burton calls him "the most prolific and versatile of any modern jazz musician."

Sitting in the lobby of a fancy Parisian hotel more often host to rock musicians, he puffs an American Signa cigarette ("organically grown tobacco, no additives in the paper"), looks clean, fit and bright and gives the impression of having thought about what he talks about. John Coltrane, for example: "The reason any of us get into an art form is to find the freedom to create something we like. And it's inspiring to hear Trane follow through his creation so consistently and thoroughly on such a high level of finesse and development."

He has created Stretch Records — a subsidiary of GRP, a subsidiary of MCA — as a showcase for his bands and the people who work in them. It made sense, he had already built a state-of-



"I don't like to be forced into one bag or another."

art recording studio. He's only a consultant, he has no ambitions to produce. He does not want to change his basic life as a performing musician. Most of all it's about karma: "Every musician of value has in mind where he wants to go with his own creation. If that instinct is ignored within a group, and the members are only allowed to play what is required in the group context, that group becomes stilted very quickly. I've always tried to help the guys in my band with their own projects. So my management team is very active dealing with their recordings and tours as well as my own."

His self-assurance is impressive. All the more so for its utter lack of pomposity. He's plugged into good sense like a computer with its printer. In the '70s, on the basis of RTF's track record, he was given a "big-time advance" by Warner Brothers. But while they were expecting a sort of RTF2, he was by then interested in making acoustic chamber jazz. Two records were made and did not sell. The balance between the money and the product was "way out of whack. When a record doesn't make its money back, if that goes on, then a musician is going to feel like his product isn't successful, the financial reality tends to invalidate the musical value. Eventually it puts the musician in a frame of mind where he uses his energy trying to make a piece of music that isn't really his."

Even though they were committed to four more records — he had engaged a "big-time lawyer" — he asked Warner Brothers to release him from the contract. "Look," he said, "you don't have to pay me and I don't have to deliver something I don't want to do right now." The president wrote him a letter saying what a nice guy he was.

It's easy to be a nice guy with other people's money and conditions so long as you are confident that you have the talent and instinct to make your own own your own terms. He didn't really realize what he was saying, he said it in regard to his new painting hobby, but it applies to his relationship to music as well: "I find myself always looking at light and color and shading. I am always looking for a way to frame the environment, to put it into perspective."

PEOPLE Who Owns a Kiss?

A retired couple took photographer Robert Doisneau to court Wednesday, claiming he stole a moment of youthful passion in a famed photo of two lovers embracing on a Paris street 43 years ago. The trial should determine whether Doisneau violated the privacy of Denise and Jean-Louis Lavergne, and is being closely watched by photographers and advertisers because the verdict could set a precedent: Under the 1983 copyright law on images any photo published without the authorization of those appearing in it can lead to court action. The Laverignes, now in their 60s, insist that they are the couple photographed outside Paris City Hall but the photographer insists that he used paid models. The Laverignes seek 500,000 francs (93,000) in damages.

The judge who must settle the Woody Allen-Mia Farrow child custody fight said he was "the least qualified person to do that" after the last witness testified the truth may never emerge about whether the filmmaker sexually abused his 7-year-old adopted daughter, Dylan. The admission from Manhattan state Supreme Court Justice Elliot Wolk came during an exchange with Stephen Herman, an expert on child sexual abuse called by Farrow. Herman was the last in a parade of witnesses on both sides during the nonjury trial.

LaToya Jackson has decided to press a civil lawsuit against her husband Jack Gordon, 54, for an alleged beating that left her with a split lip and bruises, a spokeswoman for the Manhattan district attorney said. Jackson initially filed criminal charges against him for allegedly beating her with a dining room chair.

Edward James Olmos has been denied permission to carry a concealed gun by the Los Angeles police. The actor said that he and his family had received death threats. Richard Deason, the city police commission's commanding officer, said there was no evidence that Olmos was in danger.

A U.S. judge has dismissed an unusual libel suit by a high-powered Beverly Hills entertainment lawyer who claimed that celebrity author Kitty Kelley defamed him when she thanked him for acting as a source for her unauthorized biography of Nancy Reagan. In Kelley's controversial 1991 book on the former first lady, she listed attorney Mickey Rudin as one of 612 sources — the most important contribution to this book," Rudin has steadfastly maintained that he never talked to Kelley, with whom he had previously tangled when she wrote her stinging volume "My Way" on his long-time client Frank Sinatra.

The Japanese conductor Yutaka Sado, 52, who worked with Seiji Ozawa and the late Leonard Bernstein, will be resident conductor for the next two seasons of the La Moureux Orchestra of Paris. The Kyoto-born musician will replace the Russian Valentin Kojin, who died in November.

A silver dog-collar given to a Scottish noble family by Bonnie Prince Charlie sold for £41,800 (\$66,044) by Christie's at a crowded sale at Fingask Castle in Kail, Scotland. The prince — whose real name was Charles Edward Stuart — gave dog and collar to Sir Stuart and Lady Threapland at the castle in 1750. The prince fled abroad after his defeat in 1746 at Culloden in trying for a Stuart restoration in Britain. He died in Rome in 1766.

Prince says he's quitting studio recording to concentrate on theater, film and other ventures. The announcement comes seven months after the rock star signed a \$100 million deal with Warner Bros. Records that made him a vice president. He will be able to continue releasing albums to satisfy that agreement because his suburban recording studio has more than 500 unlicensed recordings. Prince's production company said he wants to explore less conventional approaches to music and media, including interactive media and nightclubs.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 6

2 Americans Win '93 Japan Prizes

TOKYO — Two Americans, an earthquake scientist and one who helped streamline genetic research, on Wednesday received the 1993 Japan Prizes.

Frank Press, 69, president of the U.S. National Academy of Sciences, won the prize for his work on the mechanics of earthquakes, and Kary B. Mullis, 49, of La Jolla, California, a private consultant on nucleic acid chemistry, won the award for molecular and cellular technology in medicine.

Each winner received 50 million yen (about \$450,000) in a ceremony at the National Theater attended by Emperor Akihito and Empress Michiko.

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WEATHER

Table with weather forecasts for Europe, North America, Middle East, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.



Forecast for Friday through Sunday. Partly sunny and warm in New York City Friday. Showers will fall Saturday. Showers will move away from Chicago Friday; there will be some sun for the weekend. Thunderstorms in Houston Friday, followed by a warm and humid weekend.

Table with weather forecasts for Asia and Africa. Columns include location, today's high/low, and tomorrow's high/low.

North America. Showers in Tokyo Friday. Partly sunny Saturday. Rain might arrive Sunday. Southerly rains in Shanghai late Friday and Saturday. Showers and thunderstorms are possible in Hong Kong and Taipei. Chance of a shower in Beijing Friday, then partly sunny Saturday and Sunday.

CROSSWORD

- CROSSWORD clues: 1 Actor Vigoda, 4 Hay bundle, 8 Access Garr, 12 An Armat, 14 Comedian King, 15 Sign skin to 'For Sale', 18 Hart, 17 Caesura, 18 Spring zodiacal sign, 19 DOG, 22 Incurable, 23 Vein yield, 24 BADGER, 26 Parisienne's friends, 32 Commits a capital sin, 34 Out, to Burns, 34 Related, 37 Elliot's Manner, 38 'Not on —', 39 Long in the tooth, 40 Stage; period; Sp., 41 — Sap, Cambodian lake, 42 WOLF, 43 CI, 46 Coffee-hued; Abbr., 47 FOX, 50 Waste maker, 51 Caviars, e.g., 57 Shoebox lrs., 59 Inward, to anatomists, 60 Section near the nether, 61 Bellow, 62 Of; Abbr., 63 'That Way', 64 New Deal agcy., 9 Nobellet Wiesel, 11 —blity (was), 13 Lit, 16 Successor to 18, 20 Very in 'Versaille', 21 Pillages, 24 Pact acronym, 26 Plant used as soap, 28 A memorable Radner, 27 'Doubt truth to be —'; Shak., 28 Maa, 29 Hayes or Stern, 30 Diving birds, 31 — Never 'Walk Alone', 38 Deuce's topper, 37 Impassive, 44 Wading birds, 46 Performers' Suffix, 47 Sci-f film of 1954, 48 Punjabi princess, 58 Firm, 59 Author Urts, 54 Leap follower, 56 Edwardian, e.g.

Solution to Puzzle of April 28. A crossword puzzle grid with filled-in words.

THE MAN WHO STAYED BEHIND

By Sidney Rittenberg and Amanda Bennett. 476 pages. \$25. Simon & Schuster.

Reviewed by Andrew J. Nathan

As the Mao era fades into memory, the things that happened then begin to seem incredible. In many ways, Sidney Rittenberg's memoir of life inside the myth reads like the story of a man who came back 40 years after being abducted by a UFO. He spent 16 of those years in solitary confinement, the rest of them making propaganda as a trusted aid of the top Chinese Communists.

normal American, dedicated to justice, looking for fulfillment, interested in belonging, loyal to his family and with normal appetites (the book is full of passionate discussions on food). His only unusual characteristic was that he was a committed Communist who, as a young U.S. Army officer at the end of World War II, decided to stay behind in China and cast his lot with the Chinese Communist Party. He says he remained a Communist until the crackdown on Democracy Wall in 1979.

Few foreigners stayed in China after 1949, and no other reached the heights of influence that Rittenberg did as a party member, confidant of the leaders, propaganda official, informal dean of the foreign community and Cultural Revolution activist. Yet his experience turns out to be strikingly similar to those of

many Chinese who cast their lots with the party. This makes his story more than a fascinating curiosity. It is a source of insight into one of the biggest mysteries in the history of Mao's China — why the Chinese cooperated so long and so well with the dictatorship that hurt them so badly.

Rittenberg promises to tell the events the way they happened, without the distortion of hindsight. We see how he was drawn to the party by a combination of idealism, the need for a sense of belonging and the practical benefits the party gave him, including work, food, housing and access to inside information. As he turns away from persecuted friends, rationalizes violence and uses solitary confinement as a chance to think his way into still deeper loyalty, Rittenberg presents a case study in Czechoslo-

vak's classic analysis of "the captive mind." The more enslaved Rittenberg became, the more he was congratulated himself on his emancipation. He sailed through the famine of the early 1960s and the torment of the Cultural Revolution with his eye fixed on the beautiful goal of human freedom.

He and his co-author, Amanda Bennett, refuse the comfort of irony, simply telling what he did and thought. The story confirms his reputation as a doctrinaire political climber. He portrays himself passing out the party line to other foreigners in Beijing, paring down his possessions and his body weight as his political antennae pick up the early vibrations of the Cultural Revolution, swinging into Mao-speak just as Mao launched the movement, refusing to intercede

BOOKS

for his old friend Mei Yi because to do so would "risk crushing the newly awakened vigor of the masses."

But we see here how these actions looked from the inside. He experienced six years of solitary confinement as a liberation from selfishness into the collective body of the party. In the Cultural Revolution he saw himself as outgrowing the lust to obey and striking out for freedom. Perhaps he fails to see, or perhaps he leaves for the reader to decipher, the irony that he was still a slave to what he thought was Mao's line. He prepares to be thrown into jail once again by memorizing lines from Mao, his oppressor, a man whose brutal modes of domination he had witnessed close up.

At every stage we see the restless hunger to assure himself that he is fighting for the betterment of mankind, that he is appreciated, that he belongs. "I had passed the test," he tells us. "I had made it." "I was accepted into the organization." "I can be accepted, I thought." "I was accepted, trusted . . . in a way no other foreigner was." He was devastated by isolation, rejection, by being blacked out of a photograph.

Rittenberg's case was extreme. He could have left China and didn't (until after Mao's death).



What They're Reading

Jonathan Mann, head of the International AIDS Center at Harvard University, is reading James Hamilton-Paterson's "Gerontius," Arthur A. Cohen's "An Admirable Woman" and Sara Paretsky's "Guardian Angel."

Large advertisement for AT&T USADirect Service. Text: "Get your point across in no time." Includes a table of international access numbers for various countries like Australia, Bahrain, Belgium, etc. AT&T logo at the bottom right.